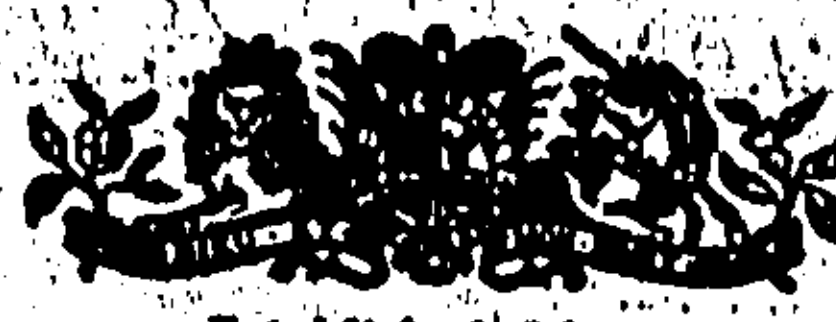


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COMMENT OF THE DAY

Sharp Retort

THE patience of Government officials in replying to tedious points raised by unofficial members of the Legislative Council is as a rule commendable. Understandably, needless reminders to Government to carry out its appointed duties can be tiring and even exasperating. But Mr Arthur Clarke's somewhat trenchant retort to Mr C. E. M. Terry's speech was a little surprising, indeed unnecessary, since he appears to have exploited a lack of precision rather than an inherently wrong principle contained in the unofficial member's remarks. Mr Terry's point is that Hongkong's own funds should be available to the Colony rather than to other territories and he points to the extent of our sterling and Malayan investments. Further he drew attention to the statement of the Hongkong and Shanghai Bank chairman that governments in the territories in which the bank operated (unspecified) took advantage in 1956 of high interest rates in Britain to transfer some of their funds there. He does not suggest that Hongkong remitted its surplus funds abroad for this reason, but asks for Government's views on local investment of these funds.

In his reply the Financial Secretary said: "Other things being equal we keep our money where it can earn good rates of interest." The statement of the Colony's assets and liabilities does in fact show under the heading "surplus balances" that sterling investments went up from £14.6 million in 1954 to £24.6 million in March, 1956. In terms of dollars this is an increase of \$160 million. In addition in the same period \$12 million was invested in Malayan loans.

The point that Mr Terry made, furthermore, that public funds should be available to Hongkong for our own development—it was here his point lacked sufficient clarity—appears to be one that the Financial Secretary not only agrees with in one specific instance (the recall of some \$92 million in sterling funds to ease the tight credit situation in the Colony) but is an essential part of a principle which Government now recognises may well become official policy, i.e. recognition of Government's need to have "a much greater say" in credit policy.

The point that the chairman of the Hongkong and Shanghai Bank makes—essentially the same as Mr Terry's—is that an over-investment of government funds abroad may result in a slowing down of the pace (of development) "as this deprives the banking system of what is almost its life-blood."

ANOTHER point made by the Bank chairman which incidentally provides some justification for Mr Clarke's views on Government requiring a "greater say" in credit policy, is that its widespread banking activities in the Far East require greater liquidity "than may be considered necessary by bankers whose interests are mainly confined to one single country." Financial stresses and strains in this part of the world are going to affect the availability of credit here, and it is quite certain that they are, it is in the public interest that Government should have its "greater say" (though why not use the unpleasant word "control" and be done with it) to ensure that whatever measures are taken against speculation, investment for sound productive purposes is not in any way hampered. It seems a ludicrous when capital remittances to the Colony total something like \$200 million in a year that some "worthy" industrial undertaking should have to go begging. Why? Because of insufficient credit!

CANAL DUES: BRITISH PLAN Egypt To Collect And Surrender Half

TEMPORARY FORMULA

London, Mar. 27. The British Government is believed to be ready to accept a temporary compromise formula on the payment of transit fees through the Suez Canal, while maintaining that a permanent settlement should be founded on the six principles adopted by the Security Council last October, informed sources said today.

The Government has not yet made a final decision on this subject, pending the outcome of the talks between the UN Secretary-General, Mr Dag Hammarskjöld and Egyptian President, Gamal Abdel Nasser, which has not yet been announced. The decision will also depend on consultations with the co-authors of the "interim project"—France, Norway and the United States.

British observers said the British Government was now ready to discuss a formula which would allow Egypt to collect all the transit fees providing she promised to turn over a percentage (probably 50 per cent) to a United Nations organization.

These funds would be used for the payment of compensation to the "International Suez Canal Company" and for the upkeep and development of the Suez Canal.

It was stressed that such an agreement would have to be accompanied by formal guarantees and that the users of the canal should be consulted on the use of the funds.

SHIPOWNERS ADVISED
British shipowners are being advised to avoid using the Suez Canal until the position is more clear, Mr David Ormsby-Gore, Minister of State for Foreign Affairs, said today.

He had been asked in the House of Commons if he had any further statement to make on the payment of dues for passage through the canal.

He replied: "These matters are under discussion not only between the Secretary-General of the United Nations and the Egyptian Government, but between Her Majesty's government and other major users of the canal."

"Meanwhile, British shipowners are being advised to avoid using the canal until the position is more clear," France-Press and China Mail Special.

Ike Was Not Amused

Washington, Mar. 27. President Eisenhower angrily brushed aside at his press conference today a suggestion that he had ordered two helicopters to take him to the golf course. A reporter asked the president whether he felt that in all the talk that was going on about cutting the budget he would be willing to do without the two helicopters which the reporter said had been ordered to transport the president, including visits to the golf course. The question raised a ripple of laughter in the packed press conference room but the president did not join in. Flashed and grim-faced, he barked out that no helicopters had been procured for him to go to the golf course. When the reporter tried to follow up the question the president tartly observed that he did not think much of the question and would not discuss it any further.

Voters, observers said that they had never seen the president so indignant.—China Mail Special.

50 FEARED DEAD IN DYNAMITE EXPLOSION: HUNDREDS HURT

Mexico City, Mar. 27. Two tremendous dynamite explosions levelled a city block of adobe houses today and killed at least 16 persons. An estimated 235 others, mostly spectators and firemen watching rescue operations in the rubble of flattened homes and wreckage, were injured in the second blast, which came unexpectedly 15 minutes after an explosive warehouse blew up. Dr Roberto Gomez, commander of the Mexican Red Cross, said 14 to 16 bodies had been recovered.

Pieces of bodies were strewn over an area of more than 500 yards in the slum section, hit by the explosions, near the boundaries of Mexico City's International Airport. Dr Gomez said he feared "at least 50 persons may have died". Seven firemen, including Lt Rafael Garcia, head of the airport fire squad, were reported among the dead. Twenty tons of mixed TNT, dynamite and percussion caps went up in the warehouse explosion. The blast broke

windows in the airport passenger terminal two miles away. A hole 20 feet deep, slowly filling with water, marked the site of the storehouse. Every building within 200 yards was shattered. Most of the houses were one-storey adobe shacks, jammed together in a sandy wasteland along the Mexico City-Puebla highway.

Firemen said the explosives warehouse "just blew up". While rescuers and spectators crowded into the wrecked bloc, a second blast 15 minutes later slashed pieces of wreckage through the crowd, cutting down more than 200 persons. Officials said one dead man and 85 injured were taken to Green Cross hospitals. The Red Cross recovered between 60 and 65 injured. Social Security ambulances also recovered "many" injured. Firemen reported they believed no one was in the warehouse at the time of the blast, the cause of which was not known.—United Press.

Bulganin Fulminates BRITAIN IS WARNED ABOUT POLICY

London, Mar. 27. Marshal Nikolai Bulganin, the Soviet Prime Minister, said today that the British and American governments had confirmed after the Bermuda conference they were determined to "continue their policy of military blocs and continue the arms race."

"They refused to discontinue tests of atomic and hydrogen weapons and came to an agreement whereby Britain would be supplied with guided missiles from the United States," he told a Soviet-Hungarian friendship meeting in the Kremlin, according to Moscow Radio.

Diabolical Endeavour To Blow Up House

Rome, Mar. 27. An angry tenant under eviction notice tried to blow up a house in Rome by turning his apartment into a gas-filled bomb, the police disclosed today. He used a cuckoo clock to try to set it off.

The 60 other tenants were saved when the police arrived sooner than expected with the order to evict him. They entered the apartment just before the cuckoo clock bomb was to have gone off; they saved the day by switching off the electric current.

Detectives identified the tenant as Atorino Natoli, 67, a former artillery officer and an electronics expert. Natoli escaped and the police ordered a city-wide search for him.

Natoli had sealed all doors and windows with plastic tape, spread gasoline-soaked rags on the floors, and then opened a number of bottles containing gas. Three electric wires running from the gas-filled room to a metal plate provided the fuse.

SHORT-CIRCUIT

The cuckoo clock was set so that its centre weight would short-circuit the wires at 3.40 p.m., setting off the explosion. To make doubly sure, Natoli also connected the wires with an electric switch in the corridor. If the police had switched on the corridor light before switching off the electricity, the house would have been blown up.

The plan failed only because the police arrived with the eviction notice a few minutes sooner than expected. The doorman told them Natoli had gone to a nearby coffee shop and would return shortly. He failed to show up and they smashed in the door and discovered the plot.—United Press.

"We cannot help seeing that the British Government, in accepting these decisions, has taken upon itself a heavy responsibility for the consequences of such a policy for its own people," he said.

"The recent increase in international tension has been caused by the activation of disruptive attempts of Western imperialist circles against the countries of the Socialist camp and the gross interference—stopping at armed action—in the affairs of the countries of the Near and Middle East," Marshal Bulganin said.

"The military measures of the imperialists in Western Europe, the Near and Middle East, in the Pacific Ocean and their provocations against the people's democracies have led to a sharpening of tension and show that the imperialists have been trying to achieve their aims by practical means."

NATO CRITICISED

Marshal Bulganin referred to Soviet "attempts to ease tension" during proposals on the Middle East, German disarmament, the bombing of atom and hydrogen bomb tests and a European collective security system.

"But the Nato powers, led by the United States, do not want this. Instead of trying to find a solution to all these questions, the Nato powers are continuing the arms race, the rearming of West Germany in a spirit of militarism and revenge," he said.

"In these circumstances the governments of the Soviet Union and Hungary have expressed their unanimous decision to give the fullest and most definite support to strengthening the Warsaw Pact," Marshal Bulganin said.

"The Warsaw Pact is duty bound to defend the Socialist countries of Europe from imperialist plots. The measures taken by the members of the Warsaw Pact have been and still are based on the defence of Hungary and the whole Socialist camp wishes the imperialists like it or not," he said.

"The Soviet people is proud of the way in which its glorious army fulfilled its sacred duty towards the Hungarian people," Marshal Bulganin added.—Reuters.

Israel Warns Jordan

Jerusalem, Mar. 27. An Israeli official warned Jordan today that dispatch of Saudi-Arabian troops to Jordan would be regarded as a breach of the 1949 armistice agreement. Reports from Egypt last night said that Saudi-Arabian troops were moving into the Jordanian port of Aqaba, opposite Israel's Southern port of Eilat. Mr Joseph Tikos, director of Armistice Affairs in the Israeli Foreign Ministry, said: "If Saudi-Arabia or any other Arab country sends troops to occupy Aqaba port or any other part of Jordan which the British evacuated in that country such action would constitute a breach by Jordan of its armistice agreement with Israel."—United Press.

Plane Disaster Disclosure

Manila, Mar. 27. Cebu Governor Sergio Osmeña, Jr., who conducted an investigation of the plane crash which killed late President Ramon Magsaysay, said on Wednesday night that the President's plane was overloaded.

"It was overloaded according to Civil Aeronautics Administration and Philippine Airlines standards," Osmeña bluntly told newsmen.

He added, however, that the plane was not overloaded "according to the standards of the Philippine Air Force."

The twin-engine "Mount Pinatubo" was a Philippine Air Force plane piloted by Philippine Air Force pilot, which had been turned over to the late President for his personal use. It crashed on March 17 shortly after taking off from Cebu City for Manila.

The plane, which was carrying 27 persons including the President, was carrying 800 gallons of gasoline when it crashed.—United Press.

QUEEN TO BE INVITED TO VISIT CANADA

Ottawa, Mar. 27. Queen Elizabeth will be asked to visit Canada before going to the United States if she comes to North America this year, Canada's Prime Minister, Mr Louis St Laurent, said today.

Death In Blaze Climaxes Life Of Tragedy

Montreal, Mar. 27. A lifetime of tragedy ended today for a 74-year-old, thrice-married Indian when he, his third wife and their four children died in the blazing inferno of their tenement home.

All six were killed when flames, fanned by a gas leak, reached the top of the building and their dwelling in a slum area when they started to light a stove before breakfast.

The victims were listed by morgue officials as Osiag Leboeuf, 74, his wife, 45, and their children, aged 8, 4, 2 years, and eight months. The youngest and the eldest were girls and the other two boys.

It was a tragic climax to three marriages, each marked by misfortune.

Twenty Children

Leboeuf's first wife was knocked down and killed by a car two weeks after their marriage, some time before 1900.

He had 20 children by his second wife. Eighteen of them perished in an epidemic of influenza that swept Canada in 1918. His wife died later.

His third wife was a Belgian orphan who immigrated to Canada several years ago. They had lived in Montreal, within commuting distance of the Caughnawaga Indian reservation, since last December.

When he worked, Leboeuf earned a meagre living by selling junk. But he was often out of work. Members of a religious order had contributed a few dollars a week to help the family pay their rent and buy a few groceries.—United Press.

CAR AMBUSHED

London, Mar. 27. Israel radio said today a civilian car was ambushed on the Elath road in the Negev, about 40 miles north of the port of Eilat, yesterday, and one civilian was wounded. The driver succeeded in withdrawing from the danger area, the radio said, quoting a military spokesman.—Reuters.

Singapore Talks ONLY ONE QUESTION TO SETTLE

London, Mar. 27. Singapore today moved nearer the end of colonial status with further agreements at her constitutional talks here with Britain. The conference, framing the outline of internal self-government for the island's 1,200,000 people, today agreed on arrangements for subsequent review of new constitution and also on citizenship and voting rights.

The nature of the agreement was not disclosed in the communiqué which followed the eleventh session of the 17-day-old talks.

Conference sources thought it unlikely, however, that there had been any major departure from the previously expressed Singapore views that the constitution should be reviewed within four years and that Singapore citizenship could be granted after a seven-year residential qualification.

Major Issue

These latest agreements, together with those reached yesterday giving Singapore a local man as Crown representative instead of a Briton as at present, mean that only one major issue still remains unresolved. Conference sources speculated that this might be settled at the next meeting on Friday.

The outstanding problem is the question of the duration of the overlapping spheres of responsibility.

General agreement now seems to have been reached that an executive security council with British, Singaporean and Malayan Federation membership would co-ordinate defence and security while another body, described as being consultative, would deal with matters affecting external relations. Details of this machinery have not yet been settled and it is expected by conference sources that Friday's conference session will try to clear them up.—Reuters.

"HUSH HUSH" TRIP REPORT

Singapore, Mar. 28. The Straits Times said today that 20 of Malaysia's wealthiest tin miners were making a "hush hush" trip to Peking to try to sell ore to China.

The newspaper, which did not disclose the source of the information, said six of the delegation left Singapore by sea for Canton at the weekend and the rest were expected to leave by air on Saturday.

All were from the tin-mining centre of Ipoh, in north Malaya, and represent "the backbone of the mining industry in Malaya," the Straits Times said.—Reuters.

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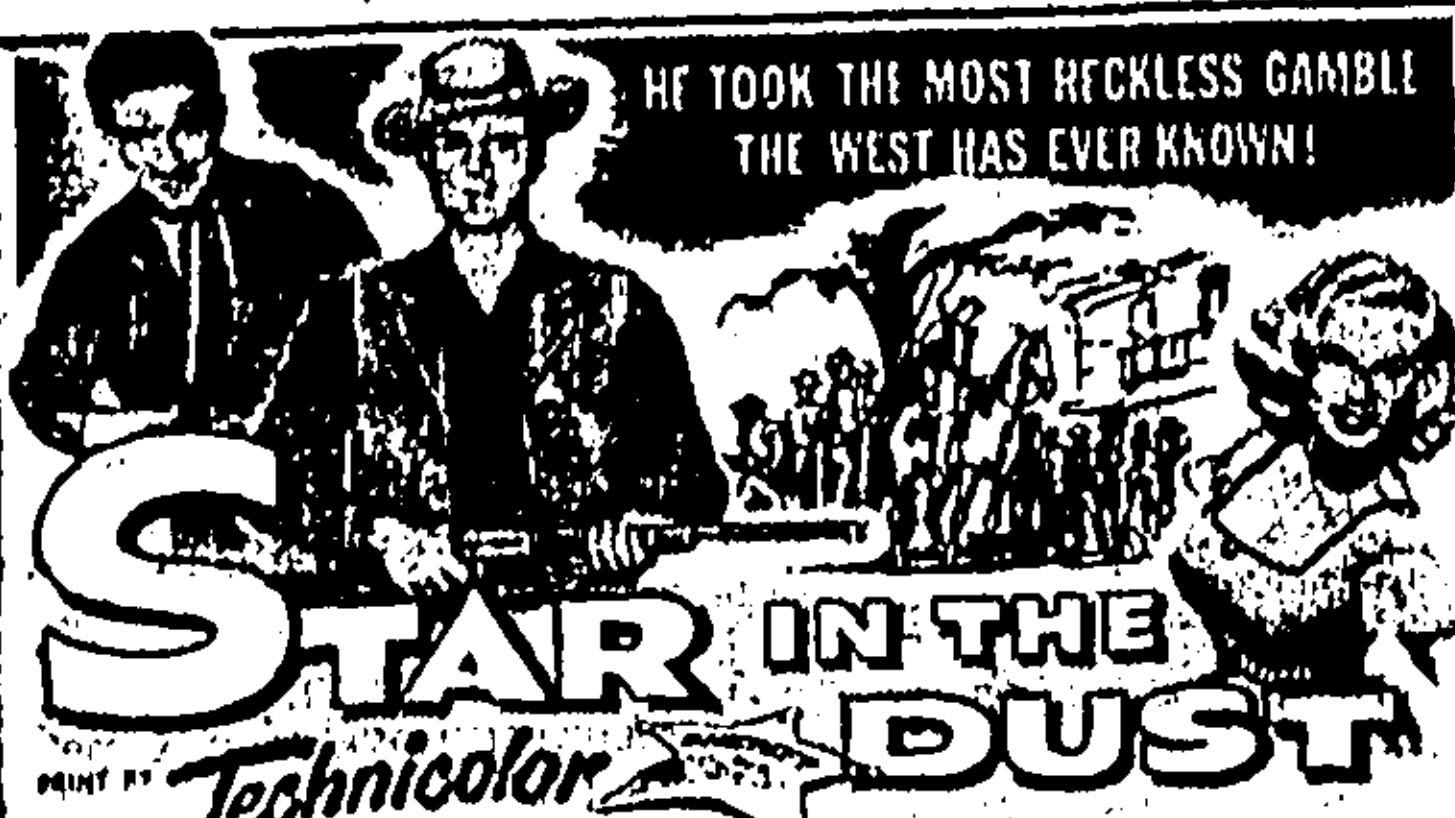
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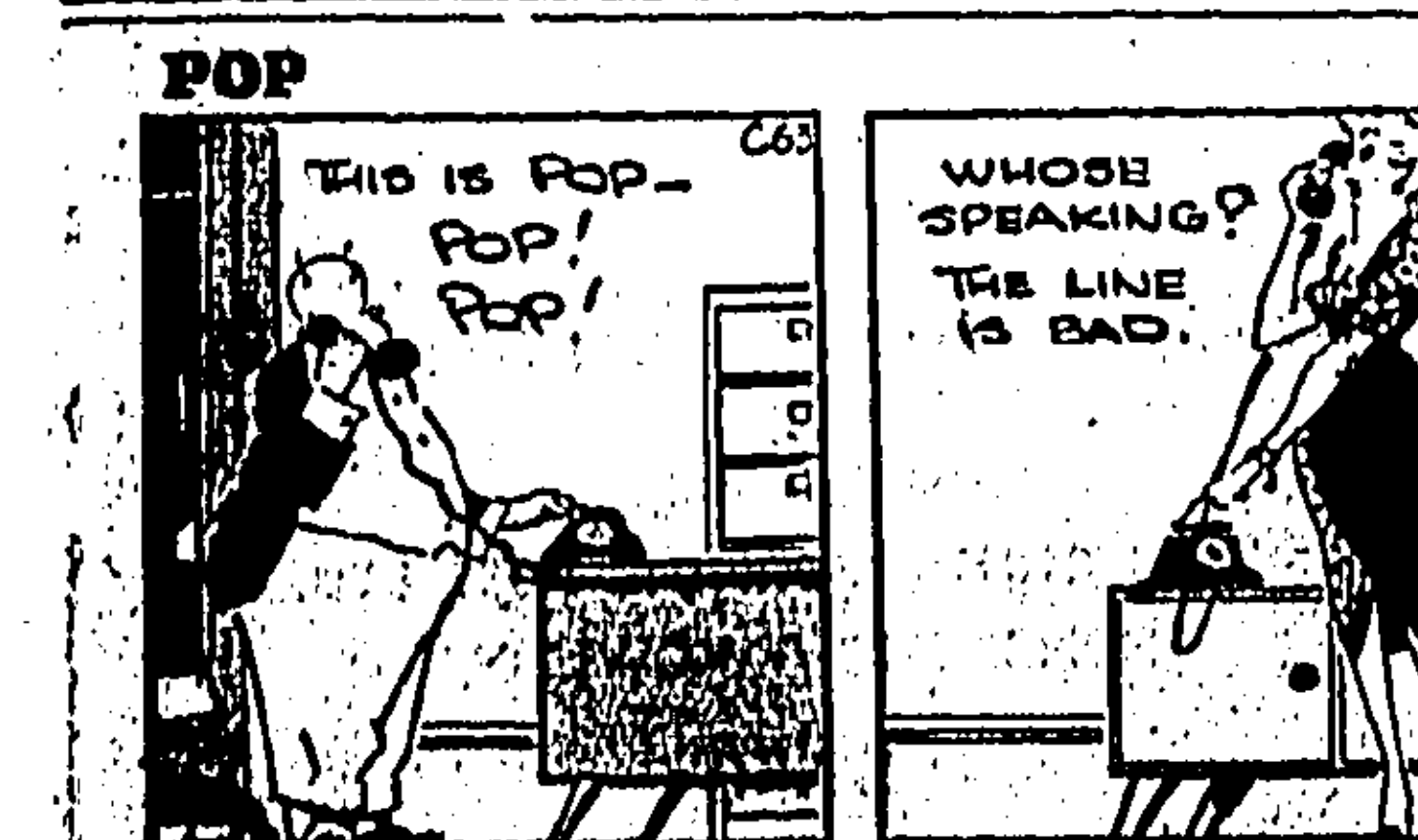
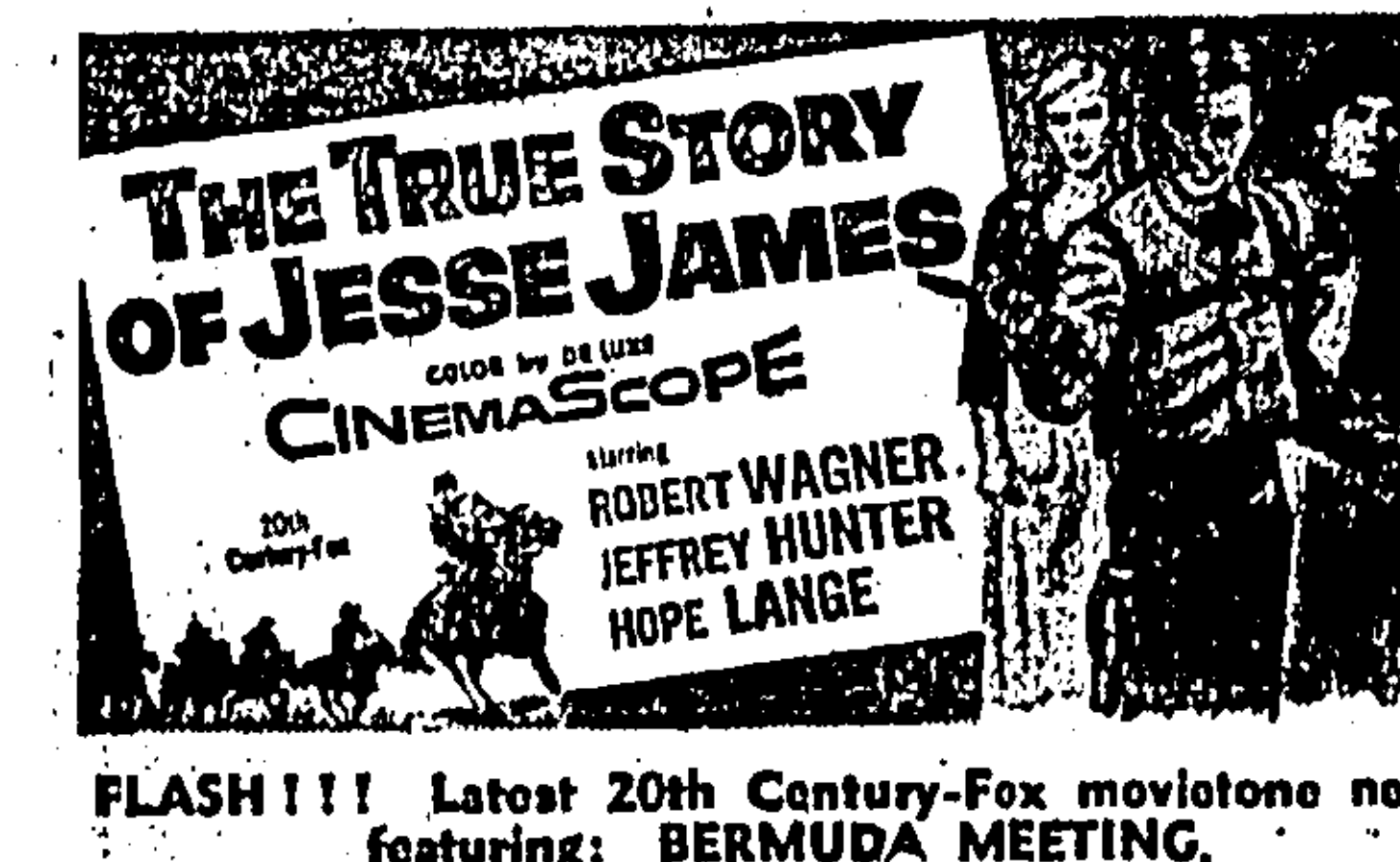
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**US EXPERT ADVOCATES
SE ASIA
AID CUT**

Washington, Mar. 27.
Mr Clement Johnston, chairman of the Board of the US Chamber of Commerce, recommended today that foreign aid to Southeast Asia be cut "by at least half" during the next two years.

In a special report to Congress, Mr Johnston also asked that increased emphasis be placed on education and technical assistance in Asia.

He made an on-the-spot survey of Vietnam, Thailand, Cambodia, Laos, Burma and Indonesia at the request of the special Senate Committee to study the foreign aid programme. Mr Johnston's was the seventh of 10 on-the-spot surveys conducted by different persons for the Special Committee.

Primary Role

The report said the primary role of the United States in Southeast Asia "should be to inspire by example and to assist in developing competency through education and technical training, not to shoulder the whole burden of normal operation."

Each country and its special problems were covered in the report. But Mr Johnston also made several recommendations covering the entire area.

"The original programme of military and economic aid were necessary," he said, "and results thus far have justified the large expenditures of money, material and manpower involved. An otherwise inevitable collapse has been postponed and possibly prevented."

Because of this aid, he said, "it is now possible to build more slowly and soundly."

Cut By Half

But, Mr Johnston added, "the dollar volume of aid to Southeast Asia can and should be reduced by at least half during the next two years." He said, "increasing emphasis should be placed upon education and upon technical assistance."

"The most glaring failure to date," he stated, "has been the lack of any significant progress toward the achievement of a sound economy."

He alleged that some Southeast Asian Governments were using United States arms to keep themselves in power while merchants made "windfall profits" from American support of local economy.

Mr Johnston estimated at 320 million a month "the unnecessary cost to the US taxpayer" of supporting the currencies of Vietnam, Laos and Cambodia "at the arbitrary rate of 35 piasters, or other local currency, to the dollar."

He said the official "free market" rate of 75 piasters was overshadowed by the local black market rate of 100 to 120.

Mr Johnston said the time seemed ripe for "substantial reductions in troop and equipment levels" in Vietnam, Laos, Cambodia and Thailand even though they "strongly protest" against the US reducing arms shipments.

"More than one of these nations is using US funds to build and equip armed forces, some of whose officers and men seem to think of their mission

only in terms of ancient hostilities and rivalries," Mr Johnston reported.

"Communism and Communist aggression obviously do not constitute the primary menace, nor provide alone a sufficient challenge to motivate current military training programmes."

"As long as the Southeast Asia Treaty Organisation (with its implied promise of unlimited American support) offers security against Communist aggression, it would appear that the military forces of Cambodia, Laos, Thailand and South Vietnam are in every case large and more heavily equipped than the needs of mere internal security would dictate."

Ike Defends

But President Eisenhower today again took a strong stand against cuts in the United States foreign aid programme. Eisenhower, speaking at a press conference, said this programme was necessary not only to secure the American position and prestige in the world, but also to defend the security and peace of the United States.

The President was replying to reporters who asked whether the Administration has planned to reduce the national budget, which amounted to 72 milliard dollars for the 1957-58 year.

He said it would be futile for the United States to expect to preserve its present status in the world if heavy cuts were made in important national or international projects, like foreign aid or defence.

Eisenhower stressed that foreign aid granted by the US was not aimed at buying the loyalty of nations that were proud of their independence but had low living standards.

Mutual Aid

The President said the term "mutual aid" should be used, rather than "foreign aid," since, he said, the interests of the recipient countries were synonymous with those of the United States. American aid helped to defend the peace and independence of all.

Eisenhower said that some economies might possibly be made in the military field. But he said that if real cuts in the budget were desired, they should be made in the fields of education and other expenses that did not affect the vital interests of the country. —United Press, Reuter and France-Press.

Amman, Mar. 27.
Bahgat Al Tathuni, chief of Jordan's Royal Cabinet, left for Damascus today with a special message for Syrian President Shukri El Kuwaili from King Hussein of Jordan.

Tathuni refused to disclose the contents of the message but said he might return either tonight or tomorrow.

Premier Suleiman Nabulsi conferred for 40 minutes with the King last night. —United Press.

**MOLLET WANTS VOTE OF CONFIDENCE
ON HIS GENERAL POLICY**

Paris, Mar. 27.
FRENCH Premier Guy Mollet tonight asked for a vote of confidence during the National Assembly debate on general policy. The vote will be taken tomorrow evening.

Mollet asked for the confidence vote after speaking for over an hour. He reviewed the Government's policy dealing with constitutional reform, the country's economic and financial situation, the Algerian problem, French relations with Morocco and Tunisia and prospects for Europe.

Mollet said he favoured a reform of the constitution. On the economic question, he called for a greater export

drive to permit the import of raw materials and sources of energy.

The Premier re-stated the principles on which the future of Algeria should be based and said the Government's unconditional ceasefire to the rebels still held good. The ceasefire would be followed by free elections and France would then negotiate the future of Algeria with the real spokesmen of the Algerian population.

Turning to Morocco and Tunisia, Mollet said France had granted these countries their independence. France would respect their sovereignty, and

**HUNT GOES ON
IN CYPRUS
FOR GRIVAS**

Nicosia, Mar. 27.
An official communique tonight said that two suspected extremists were captured in the Troodos Mountain area where Greek Cypriot underground "General" George Grivas is reported trapped.

The identity of the men captured was not announced.

The communique said only that two suspected "terrorists" had been captured after an exchange of shots when they failed to halt.

Three thousand British troops have drawn a circle around a 40-mile area in the snow-capped Troodos Mountains west of here where the elusive Grivas was reported holed up with a guerrilla band.

'Don't Move'

No further details of today's operation were released.

British patrols were under orders during the night to halt and take ambush positions. They were instructed "don't move even if you shoot someone—leave the body until daylight."

This was to avoid British casualties in the now densely patrolled mountain region.

Helicopters ranged over the search area during the day.

Meanwhile, Dr Fazl Kutchuk, leader of the Turkish minority in Cyprus today cited British Prime Minister Harold Macmillan expressing "anxiety" that negotiations would begin again with Greek Cypriot Archbishop Makarios.

Alleged Complicity

Makarios was exiled to the lonely Seychelles Islands in the Indian Ocean last March for alleged complicity with the Eoka organisation.

Last week, the British Government announced it would release Makarios if he gave unconditional approval of violence on Cyprus.

Kutchuk cited Macmillan: "The possibility of Britain conferring with Makarios is

causing anxiety among law-abiding Cypriots, especially the Turks. We trust that Britain is not yielding to unreasonable pressures. Britain should be steadfast in its policy for settling the Cyprus question through tri-partite talks and refuse to talk to Makarios who deserves a speedy trial and exemplary punishment. Discussions with Makarios will undermine Turkish trust in British justice." —United Press.

**Ike Not Alarmed
About Aqaba**

Washington, Mar. 27.
President Eisenhower stated at his press conference today that he attached no particular significance to reports of projected troop movements by Saudi Arabians on the shores of the Gulf of Aqaba.

He had been asked whether he thought these movements would imply a threat to freedom of shipping in the Gulf.

Asked about recent frontier skirmishes between Israel and Syria, the President indicated that he thought these incidents were a continuation of the long series of Palestine frontier disorders.

Such incidents stemmed from the war of nerves existing between Israel and her Arab neighbours, he said. —France-Press.

**S'PORE UNIONISTS
FOR PEKING**

Singapore, Mar. 27.
The Singapore Trades Union Congress has decided to send two representatives to this year's May Day celebrations in Peking. It was announced here today.

A council of the Congress accepted an invitation from the All-China Federation of Trade Unions including a three-week tour of China. —Reuter.

Mission Completed

Vienna, Mar. 27.
The special UN commission collecting material for a report on Hungary's October revolt, which arrived here last Friday, has completed its work after hearing 20 witnesses and will leave for London tomorrow, it was announced today. —Reuter.

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**De Gaulle
In Algeria**

General De Gaulle inspecting men of the Tindouf garrison on the border of Mauritania, half-way between Algiers and Dakar. —Express Photo.

**YOUNGEST
POLAR
TRAVELLER**

Copenhagen, Mar. 27.
The youngest person ever to fly over the North Pole, an 18-month-old Japanese girl, Suomi Sakai, arrived here from Tokyo today with her parents.

The family were flying on the recently inaugurated Scandinavian Airlines passenger service which uses the Polar route to link Europe with the Far East.

They are now due to go on to Helsinki where Suomi's father, Yoshitane Sakai, who is a physician, is studying at a hospital. —Reuter.

**Gatt Meeting
To Discuss
Common
Market**

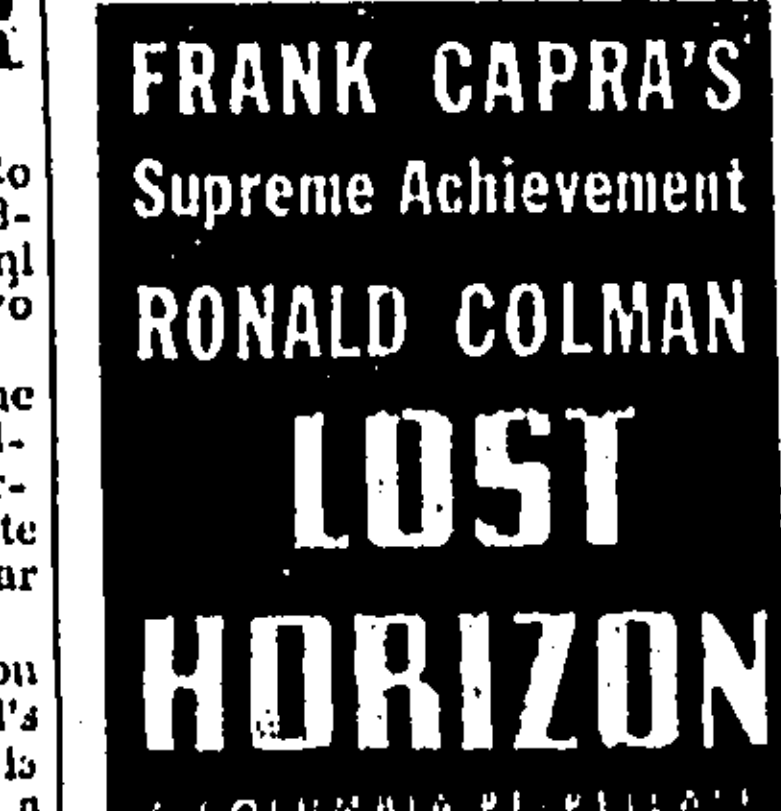
Geneva, Mar. 27.
The Inter-Regional Committee of the General Agreement on Tariffs and Trade (Gatt) will meet here on April 24 to discuss procedures to be followed for later consideration of the European common market treaty in plenary session. It was announced today.

Usually well-informed sources indicated that some nations, notably the United States and Canada, were anxious to see the treaty ratified by the parliaments of the treaty nations before it encounters possible objections on the grounds of incompatibility with Gatt provisions.

The six nations—France, Italy, Germany, Belgium, Luxembourg and Holland—already have a waiver from certain Gatt obligations to allow the European coal-steel pool to operate, but the common market poses far more intricate problems, including preferential treatment for colonial territories. —China Mail Special.

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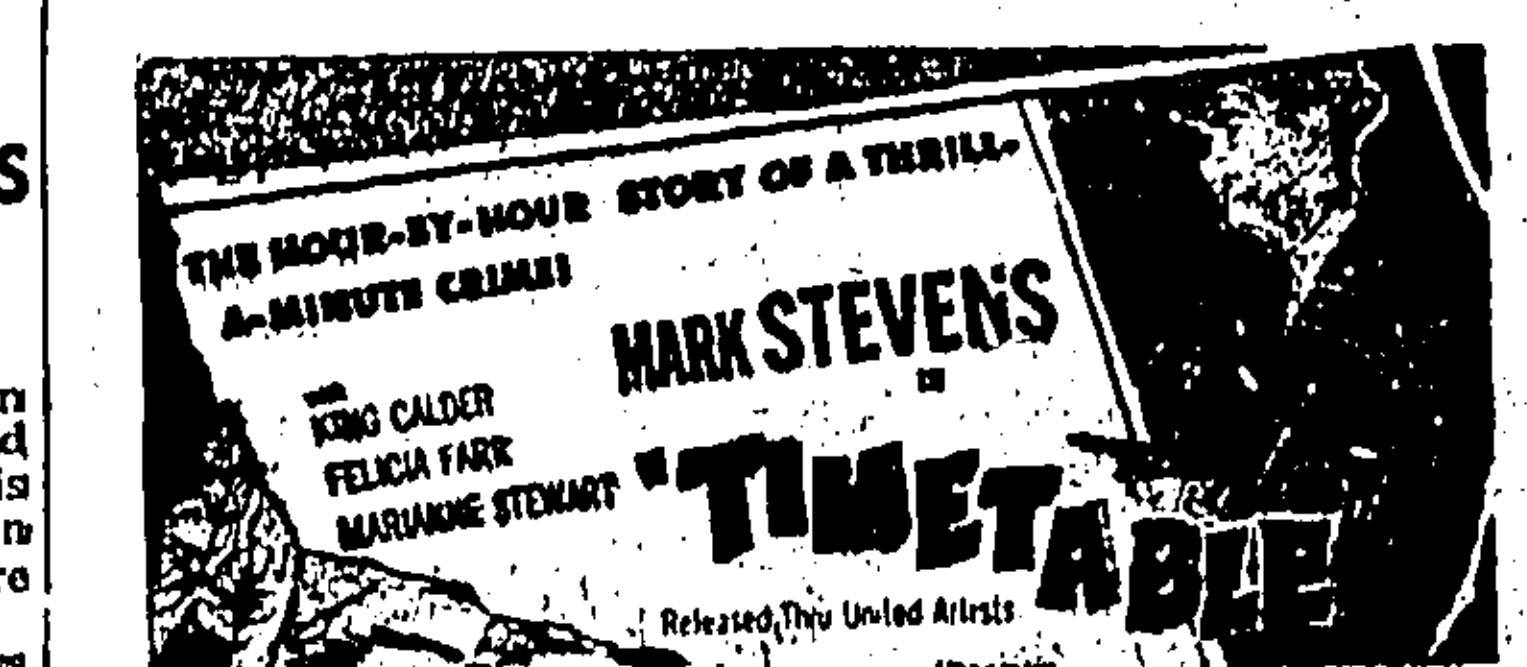
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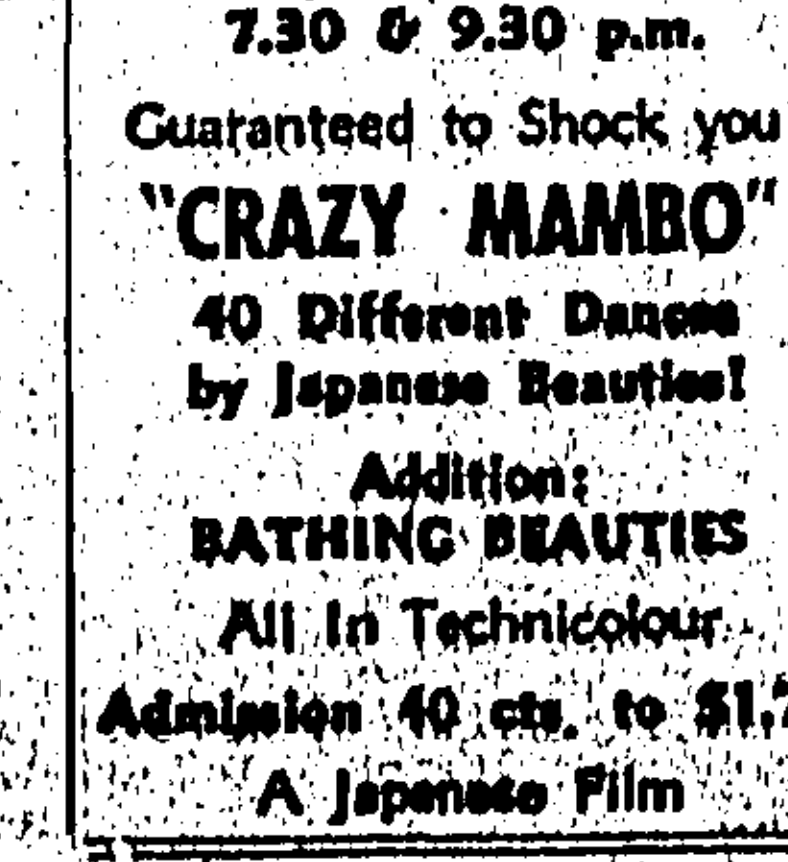
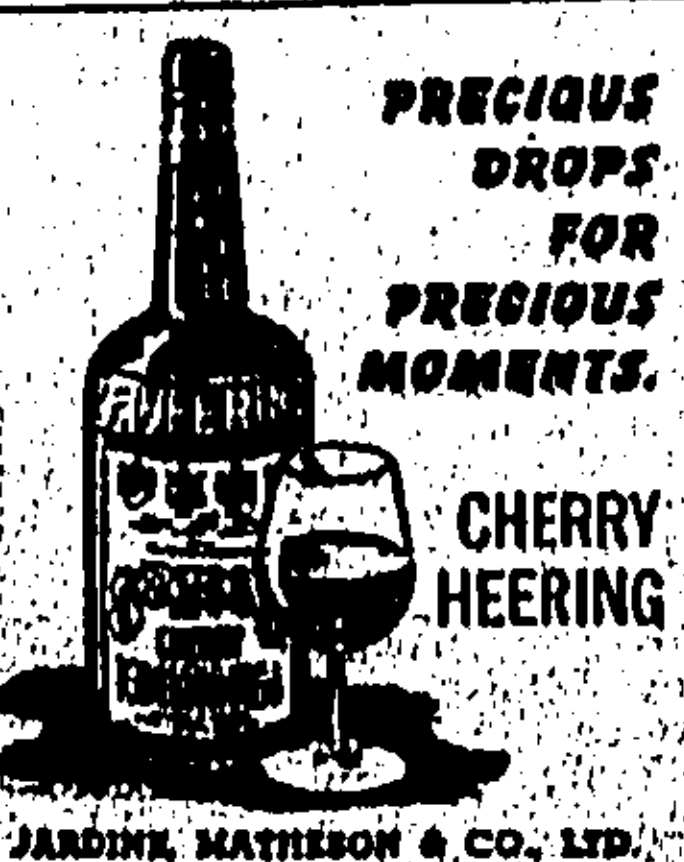
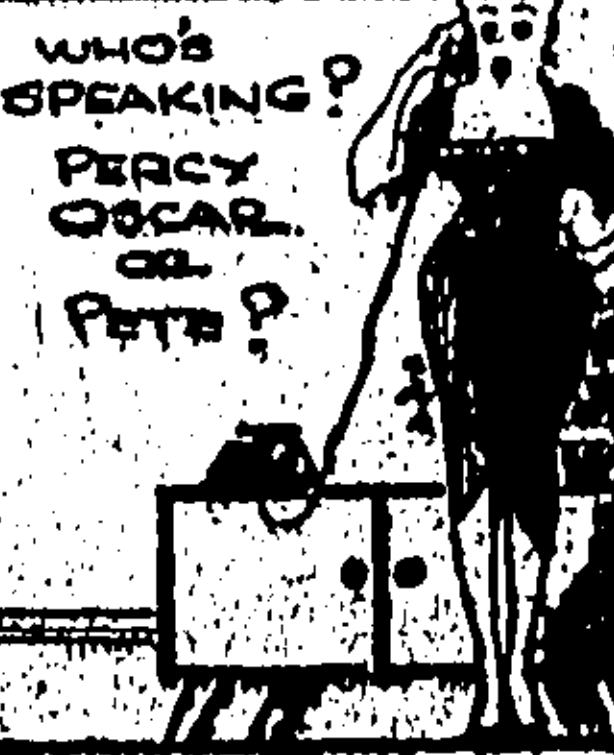
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PINEAU ATTACKS HAMMARSKJOLD'S POSITION

Nasser's Canal Dues Stipulation Not Acceptable

NEW PIPELINE PROJECTS WILL AFFECT EGYPTIAN REVENUE

Paris, Mar. 27.

M. Christian Pineau, French Foreign Minister, told the National Assembly today the French Government had informed its allies that it could not accept Egypt's claims to receive all the Suez Canal dues.

France, he said, considered the position of Mr Dag Hammarskjold, United Nations Secretary-General, contradictory and unacceptable. His mission to Cairo was regarded by France as "purely a mission of information."

M. Pineau declared: "We are in full agreement with the British Government on the solution needed for the Suez Canal problem and on the methods to be used for reaching a settlement."

Recalling the proposals to build pipelines to the Mediterranean through Turkey and through Israel, he said: "Thus, through her own fault, Egypt is running the risk of losing her revenues from the Suez Canal."

INDIFFERENT

He said the position of the United Nations on Israel was indefensible. If, as Egypt claimed, there is a state of belligerence, then there could not at the same time be any application on armistice conditions.

In his talks with Mr John Foster Dulles, United States Secretary of State, M. Pineau said there had never been any question of UNF troops being stationed on Israeli soil. Nor had France exerted any pressure on Israel to accept a compromise.

Meanwhile an Israeli Government spokesman said tonight there was no doubt that President Nasser of Egypt had refused to abandon belligerence against Israel.

"Future developments in the area depend primarily on whether Nasser will continue his belligerence in defiance of the United Nations Charter, United Nations resolutions and international law," the spokesman said.

"Responsibilities for the continuation of tension in the area must therefore be placed squarely on Egypt's shoulders," he added.

TAKE DUE NOTE

The statement was made following the decision of Mr Hammarskjold, to return to New York from Cairo without visiting Israel.

The spokesman stated they would only hope that the international community would take due note of the refusal to abandon belligerence and act accordingly, both within and outside the framework of the United Nations in order to make Egypt live up to its international obligations.—Reuter.

NEW RUSSIAN CLAIM

BIGGEST IRON-ORE DEPOSITS

Moscow, Mar. 27.

The Soviet Union today claimed to have discovered the world's biggest iron-ore deposits near the great Siberian river Ob, north of Tomsk.

Tass said the deposits contain "tens of thousands of millions tons of ore." They are bigger than the deposits in the United States near Lake Superior, which at 23,000 million tons were hitherto considered the biggest, it said.

Concentration of iron in the newly found Soviet ore varied between 12 and 36 per cent, in some places as much as 40 per cent. This compared with 32 per cent in the biggest European deposits in Alsace-Lorraine and 27 per cent in Lake Superior, Tass said.—Reuter.

Plane Drops Leaflets

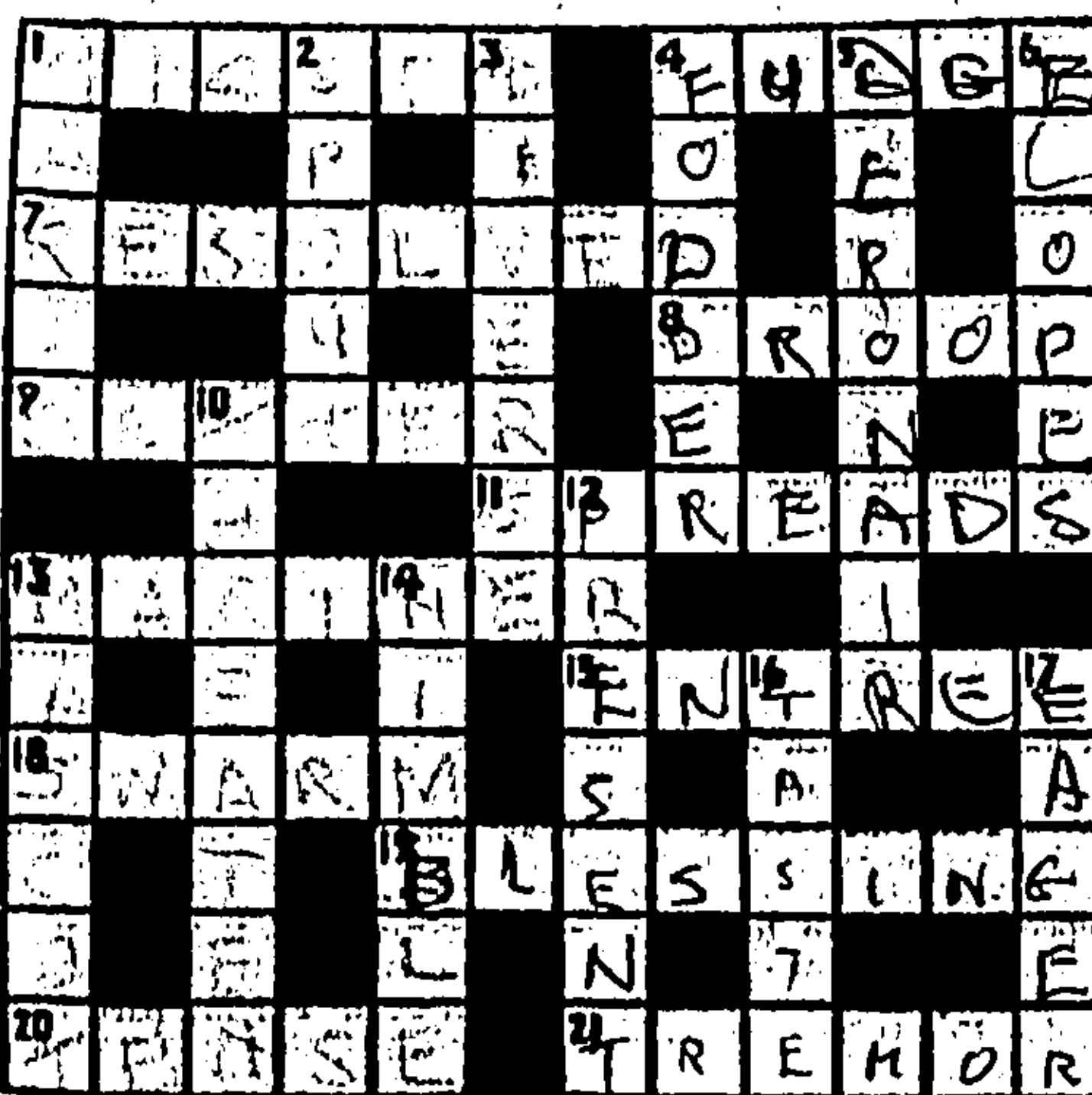
Damascus, Mar. 27.

An unknown plane dropped provocative leaflets on Syrian territory last night, Damascus radio reported today.

The radio said the plane dropped leaflets on towns and villages of the Druze Mountains "provoking sectarian differences."

"Those who sent the plane, whether Zionists or not, were thinking that they can split the country. But this is illusion," the broadcast said.—United Press.

A British Crossword Puzzle



- ACROSS
- Failed to contact (6).
 - A Norwegian name (6).
 - Swallow (5).
 - Determined (6).
 - Sag (6).
 - Clime dog (6).
 - Extends (7).
 - Sullen (7).
 - President of soccer (6).
 - Multitude (6).
 - Boon (6).
 - Strained (6).
 - Quiver (6).

- DOWN
- Animals (6).
 - Quint (6).
 - Differ (7).
 - Food (6).
 - Dashing (6).
 - Runs off (6).
 - Memento (6).
 - Not an old-time gift, ap- (7).
 - Lucky charm (6).
 - Spy (6).
 - Saviour (6).
 - Keen (6).

WEDNESDAY'S CROSSWORD: Across: 1 Code, 4 Creator, 8 Rare, 9 Poor, 10 Accused, 11 Arise, 12 Mean, 14 Entered, 17 Unit, 19 Eased, 22 Enigma, 26 Bore, 27 Time, 28 Delayed, 30 Unit, 30 Next, 31 Dancer, 33 Knew, Down: 2 Slaved, 3 Error, 4 Cried, 5 Rover, 6 Ambus, 7 Chess, 12 Mule, 13 Aids, 15 Ruse, 16 Duke, 19 In-both, 20 Astute, 21 Empire, 23 Nasty, 24 Bure, 25 Side.

CHINESE, CZECH ACCORD

Tokyo, Mar. 28.

China and Czechoslovakia on Wednesday signed a treaty of friendship and co-operation calling for unity on international problems and "mutual economic assistance and co-operation."

The treaty, signed by Premier Chou En-lai and Czech Premier Vilem Siroky, comes near the end of a wide "goodwill" tour of China and other Asian Communist states by the Czech leader.

Radio Peking, which reported the signing today, said that the treaty "provides that both parties undertake to participate in all activities aimed at world peace and security and in conformity with the principles of the United Nations."

Along with the signing of the treaty, the Chinese and Czech Governments issued a joint statement calling for "unity among Socialist (Communist) countries and with all nationalistic countries and other peace-loving nations, against all possible imperialist plots."

The main points of the joint statement were:

- ★ Opposition to West German rearmament, especially if it involved atomic weapons, and the appointment of "ex-Hitlerite generals to NATO (North Atlantic Treaty Organization) posts."
- ★ Agreement between the two nations that the newly created European "common market" and "Euratom" were "exclusive organizations sponsored by NATO and support for the Soviet view that in its place an 'all-European organization' should be created in both fields."

★ Support for the Warsaw Pact "as a self-defence organization" though both governments "wished to see both NATO and the Warsaw Pact replaced by a collective security system for all Europe."

★ Condemning of the "Eisenhower doctrine" as new American colonialism which had become a major threat to the sovereignty and independence of the Middle and Near Eastern countries.

★ Support for both North Korea and North Vietnam "in their efforts to unify their countries."

★ Welcoming of the establishment of diplomatic relations between Czechoslovakia and Japan.

★ A call for halting nuclear weapons tests as a first step towards total banning of atomic weapons.

The radio reported that speeches on cultural co-operation and co-operation in the field of health were also signed by the two nations on Wednesday afternoon.—United Press.

Manhunt In Mountains

Algiers, Mar. 27.

French paratroopers attacked Nationalist rebels entrenched in the crags of the Quenelles mountains of West Algeria today and in a running battle shot down 24 insurgents.

The manhunt across the 2,400-foot plateau was part of a sudden flareup in military activity in all sectors. French troops reported they have slain 70 rebels and captured at least 20 tanks.—United Press.

UNEF DECIDING FACTOR

'ASSURING PEACEFUL CONDITIONS'

United Nations, Mar. 27.

UNITED Nations Secretary-General Dag Hammarskjold, said in a message to members of the United Nations Emergency Force that "the force and its mission have been a decisive factor in the effort of the community of nations towards securing peaceful conditions" in the Middle East.

To Burns

Hammarskjold's message, the text of which was published at United Nations headquarters today, was addressed from Cairo to Major-General Edson Burns, Commander of the UNF.

The success of the UNF in its important task will help to lay the foundations for future efforts to strengthen the force.

of peace," Hammarskjold said. He expressed regret at not having had the time to visit General Burns' headquarters during his trip to Egypt, which was devoted almost entirely to diplomatic conversations.

Hammarskjold said he was aware of the numerous practical and psychological difficulties which the UNF had had to overcome, and he congratulated the officers and men on their contribution to the restoration and maintenance of peaceful conditions in the area.

However, Brazil's Foreign Minister told United Press today the Government was considering withdrawing its contingent from the police force in case of an outbreak of hostilities in the region.

Jose Carlos de Macedo Soares

denied, however, that any decision on this matter was imminent. He said Brazil was consulting with Canada, Denmark, Norway and other countries with troops in the force.

He said the UNF was before President Juscelino Kubitschek and the War Ministry as well as his own department but it was principally his responsibility.

Patrol Purposes

Some Nationalist groups have been demanding withdrawal of the troops since congressional authorization was only for the troops to be supplied for patrol purposes in the Middle East. They were not sent there to fight, it has been maintained.—France-Press and United Press.

Soviet Disarmament Proposal To Be Discussed

London, Mar. 27.

The Western members of the five-power United Nations Sub-Committee on Disarmament were stated in conference circles here today to have accepted a Soviet proposal to discuss immediately nuclear tests.

Ike's Envoy Arrives In Pakistan

Karachi, Mar. 27.

President Eisenhower's special envoy, arrived here today by air from Tehran on a three-day visit to explain the President's plan for the Middle East to leaders of the Pakistani Government.

In a prepared statement issued to the press on arrival, Mr Richards said: "I am looking forward to the opportunity of meeting your President and Prime Minister to express to them the purpose and spirit of our President's programme for co-operation with nations in the general area of the Middle East."

"We have got a staunch ally and friend in Pakistan and I am glad to be here," he said.—Reuter.

\$100,000 Pearl Crown For Cherry Queen

Washington, Mar. 27.

A \$100,000 pearl crown to be worn by the "Cherry Blossom Queen" will be presented at this year's cherry blossom festival.

The crown, the gift of Yoshitaka Mikimoto, known as the "world's pearl king," will be presented by Japanese Ambassador Masuyuki Tani during the ball at which the Cherry Blossom Queen is chosen.

Mrs Eisenhower is expected to spin the "wheel of fortune" which picks the queen from all the state princesses.—United Press.

Bata Withdraws Nobel Prize Candidature

The Hague, Mar. 27.

Former Czech shoe king, Jan Bata, stated today that he has withdrawn his candidature for the Nobel Peace Prize for 1957 in favour of Brazilian General Mario Candido Rondon.

Bata, who is at present in the Netherlands, said he had sent a telegram to this effect to Gunnar Jahn, Chairman of the Nobel Committee. Bata's candidature was proposed because of his work in Brazil on behalf of refugees from Eastern European countries.

General Rondon, who is 92, was one of the pioneers of the work of pacification and protection of Brazil's native tribes.—United Press.

They gave up their earlier attitude that top subject in a seven-point agenda should be reductions in conventional armaments—a subject which they had maintained would be easier to make progress on.

After a week spent talking on the general principles of disarmament, the sub-committee yesterday started to discuss in what order they should take a provisional seven-point agenda, covering individual aspects of disarmament.

The countries represented in the sub-committee are the United States, Soviet Union, Britain, France and Canada. Nuclear tests will come up at their next meeting tomorrow.

Agreed Agenda

The Soviet representative, Mr Valentin Zorin, yesterday dropped his demand that nuclear tests should be discussed immediately.

He made his proposal as the Soviet Government in Moscow announced it was ready to reach agreement with the West on an immediate halt to nuclear tests.

According to a conference source, the agreed agenda was as follows, in the order in which it is to be discussed:

1. Nuclear test explosions.
2. Reductions in conventional armaments.
3. Nuclear armament reductions.
4. International control organizations and inspection systems.
5. Missiles and rockets.
6. Zones of armament limitation.
7. Any other aspects of disarmament.

Prospects Slight

Diplomatic observers thought the prospects of any progress being made on the subjects of nuclear tests were slight.

The Soviet Union has publicly called for a halt to nuclear tests. Japan has unsuccessfully appealed to Britain to stop conducting nuclear test explosions in the Pacific.

But the United States and Britain at the Bermuda Conference declared that in the interests of the security of the Free World nuclear tests must go on.

The British attitude was reaffirmed today by Mr Peter Thorneycroft, Chancellor of the Exchequer, when he said in Parliament that "continued nuclear testing is required, at least for the present, as a deterrent in the absence of an effective and comprehensive disarmament agreement."

According to a conference source, the Western delegates gave in to Mr Zorin because they did not want to get involved in a long wrangle about procedure.

Conditional

At the same time they told Mr Zorin that they did not accept the Soviet Government's contention that a ban on nuclear tests could be separated from the whole question of disarmament.

Any prohibition on nuclear tests would in fact be conditional on "progress" being made on a comprehensive disarmament agreement. Among the points

A And H Bomb Tests GERMAN URGES SUPPORT FOR JAPAN

Munich, Mar. 27.

Herr Herbert Wehner, a leading foreign policy expert of the West German Social Democratic opposition Party, said here tonight that Japan must be supported everywhere in her opposition to atomic and hydrogen bomb weapons.

Recognition Of China Necessary

New Delhi, Mar. 27.

The Prime Minister, Mr Nehru, said today the five principles of coexistence, though a good code for international behaviour, were being used for wrong purposes and had become "hackneyed and debased."

Mr Nehru, who was opening a one-day foreign affairs debate in the Council of States, said the only hope for the world was peaceful coexistence and prevention of aggression.

Peace was a fine word but it was being used for all purposes, but for the sake of security armed alliances were made.

DEBASE WORDS

"Thus we debase our fine words or phrases—then we have to search for some new words which might not have been so debased," he said.

Referring to international affairs, Mr Nehru said he hoped other countries would view the recognition of China "from a strictly practical point of view."

If China, with its vast population, was ignored by the United Nations, any steps taken by that body would not be effective.

FRENCH VIEW

In Paris two French Deputies, both Socialists, have urged that France recognize China, in a debate in the National Assembly today on foreign policy.

Jean Bouhey also recommended the admission of China into the United Nations. He urged close contact with our Western friends and with NATO, but also a persistent effort to lift the barriers now cutting the European continent in two.

Arthur Conte declared: "Let us know how to exercise our mission everywhere, in Asia as in the Middle East, and even in China, with its thousand years old civilization, which is to be called upon to play a great role in the world of tomorrow and whose government we have delayed too long in recognizing."

—Reuter & France-Press.

Recoverable Test Weapon



The British—a recoverable test weapon which can be recovered after firing and which is reusable, has been developed by the Royal Ordnance Factories. It is being developed for the purpose of testing the recovery of a recoverable test weapon after firing.

INTERESTS OF ALL

Rather would it help to urge on both world powers the necessity of an agreement, which was in the interests of all humankind.

The press service of the Social Democratic Party said Britain was not letting herself be dissuaded from becoming the third atomic power.

"The delivery of American remote-controlled weapons agreed upon in Bermuda does not seem to satisfy her ambitions."

"She is engaged on producing hydrogen bombs independent of the United States."

"Confirmation that she is not at a disadvantage in the race to produce the most terrible weapons of destruction may mean triumph for British science and technique, but for the world it opens up the grim prospect of an atomic arms race."

POLISH-INDIAN VIEW

In New Delhi, Mr Nehru said the Polish Prime Minister, Mr Jozef Cyrankiewicz, today called for the immediate abandonment of nuclear and thermonuclear test explosions in a joint statement issued at the end of their talks here.

The statement said: "The Prime Minister earnestly hopes that the Disarmament Commission and its sub-committee will seek to enlarge the area of agreement among the big powers on the limitation of armaments and the abandonment of weapons of mass destruction."

"As a first step there should be some reduction of armaments without delay" with agreed measures of inspection and control as well as prohibition of nuclear and thermonuclear weapons."

—Reuter & France-Press.

"The Prime Ministers also consider that as an immediate step, nuclear and thermonuclear test explosions should be abandoned as their very continuation involves ever increasing danger to all forms of life with its possible consequences to the future of mankind and civilization."

UK RESOLUTION

In London a resolution, urging the Government to abandon the proposed nuclear explosion on Christmas Island, and to devote its research to the peaceful use of nuclear energy, was passed in Bristol by the Free Church, Federal Council National Congress.

The resolution was carried after Professor C. A. Coulson, Professor of Applied Mathematics at Oxford University, said that if no more tests took place by 1970, we should have already reached a level of civilization as dangerous as the steady falling of radioactive dust on the earth.

Nobody would know in the future whether they were the victims of the plans which had been made and which were now making but there could be no doubt that some lives would be destroyed, and the more bombs, the more lives.

QUESTION IN SINGAPORE

In Singapore, Mr David Marshall, former Chief Minister, who resigned last year, gave notice today of two questions he will ask in the Legislative Assembly here on Britain's hydrogen bomb tests.

He will ask at the April 26 sitting whether the Singapore Government has been consulted by Britain or made representations about the nuclear test on the mid-Pacific power island.

Mr Marshall, now a Labour back-bencher, will also ask the Minister for Health whether he will make a statement on the "present status" of the British hydrogen bomb tests, or Singapore's health and food supply.—Reuter & France-Press.

DON IDDON'S DIARY BOUQUETS FOR BRITAIN

There's anger here — and disappointment. The headlines read, "Nasser Moving to Take Over Gaza." The Americans reading them are disillusioned.

They had hoped that the Middle East crisis was over. They had been told that so many times — by their President, who said it before the election, during the election, and after the election — and by their Secretary of State, who confided to his friends: "I can handle Nasser. He will see reason."

The State Department has blamed the British, the French, and Israelis for months for the mess in Suez. Spokesman after spokesman has said, "The Canal would never have been closed if the British had not attacked." But now even the State Department has changed its tune.

Today the spokesmen are tongue-tied or else they are saying, "It is a delicate situation. We are studying it."

But this is only one reason why British prestige is going up here like a rocket.

Here is Vice-President Richard Nixon, the most powerful man in the United States after Mr. Eisenhower, saying in Uganda: "I am deeply impressed by the way the British have trained the Africans to self-government."

A glimpse

It was Mr. Nixon who, when the U.S. cast its vote condemning the British and French action in Egypt, said: "This is a declaration of independence from colonialism."

But the Vice-President is touring Africa and has caught a glimpse of British political genius. There was a time, a few days ago, when the bemused American newspaper reader and radio listener thought that the U.S. had freed the Gold Coast and made it into a new independent Ghana.

The dispatches were all about Kwame Nkrumah and Richard Nixon. Americans, looking for a mention of the Duchess of Kent of whom they are fond, could hardly find one. How ever the mistake has been

PEEPS



DEBORAH KERR was making a mistake, said Olivier



THE DUKE OF WINDSOR "The First Gentleman."

rectified and today the British are getting full credit, and even a photograph of the Duchess has managed to sneak into print.

Well ahead

ON top of the Ghana achievement has come the announcement of Britain's decision to triple her nuclear power programme putting her three years ahead of the rest of the world in the use of atomic energy for industrial purposes.

The New York Times solemnly concedes: "We shall have to take into account the fact that if the British programme is accomplished on schedule Britain is likely to have world leadership in atomic power, know-how, and experience."

And crowding the atomic announcement are a series of articles and telecasts analysing Britain today after Suez.

Do such distinguished American commentators and correspondents as Edward R. Murrow and Drew Middleton say we are flagging, lethargic, second-rate members of a second-rate Power?

They say just the opposite. "Technological, commercial, and political skills are to win new eminence for her in the nuclear age. Aggressive confidence, based on evidence of solid progress. This is not a moribund society living in the aftermath of past glories. It is a society in motion. . . . Britain is a country that still believes in itself."

Riding high

SO rejoice on this eve of spring. The people who were saying that Britain was no longer a Great Power was sliding fast to a position of minor importance and negligible influence, are now proclaiming for all the New World to hear that we ride high and mighty.

Star witnesses

THE results of the Stain investigation in Hollywood into scandal magazines and the private eye business has now been passed on to the Grand Jury for action. We are promised a parade of star witnesses certainly Frank Sinatra and possibly Marilyn Monroe.

The reason why plans to make Separate Tables with Sir Laurence Olivier, Vivien Leigh, Deborah Kerr, and Burt Lancaster wanted to make drastic changes in Terence Rattigan's script and in the characterisation. Olivier also thought Miss Kerr was making a mistake in agreeing to appear.

The Duke of Windsor has ordered eight seats for the opening of The First Gentleman, a play about England's Prince Regent, later George IV. The Duke is a descendant of the famous dandy.

FOOTNOTE: Now the slogan is: "I Liked Lee."



"As a ship builder I'm on strike, as my own employer I ain't. Tell your captain I'll do him a refit with pleasure."

A PRISON OF NATIONS

"HOIST!" — THE INSOLUBLE PROBLEM OF RELAXING A RULE BUILT ON BLOOD AND TERROR

J. E. M. Arden

RECENT events have thrown into prominence the question of the Communist attitude to nationalism and the rights of nations.

It has long been the Communist claim that their system has produced a settlement of all questions connected with nationhood satisfactory to the aspirations of all the peoples concerned. The leading Communist countries have put themselves forward in the United Nations and elsewhere as defenders of the rights of small nations throughout the world.

The last few months, however, have seen the suppression of a virtually unanimous people's rising by Soviet armed force. And at the Supreme Soviet session in February, 1957, a further reminder was given about Soviet practices in this matter. A decree was passed announcing that remnants of a number of nations deported en masse from the Caucasus in Stalin's time would be allowed to return home.

The nations concerned are the Buddhist Kalmyks and the Muslim Chechens, Ingush, Karachai and Balkars, inhabitants of part of the Sovietised section of the Middle East. The restoration of the autonomous institutions (which were earlier such small protection to them) is not, indeed, complete.

Of the four "Autonomous Republics" suppressed, only one — the Chechen-Ingush — is to be

Slaughter and Suffering

The probable explanation is that in the slaughter and suffering they are known to have passed through, these peoples have declined so greatly in numbers that their populations no longer rate the higher status. It has, in any case, been announced that shortage of houses

will prevent rapid resettlement — which seems to mean that the old towns of these peoples, now occupied by Russians and given Russian names, will not be restored to them. It is officially announced, in fact, that the economic interests of the Russian settlers are not to be interfered with.

These nations had been penalised on account of alleged collaboration with the Germans. The new decree points out that it is un-Communist to blame entire nations for what can only have been the actions of some of them. But it cannot be pretended that these deportations were crimes of Stalin kept secret from his successors and revealed to them after his death, to their shocked surprise, like the matters about which Khrushchev took the dead dictator to task in his "secret speech" in February, 1956.

The facts of the deportations were known to the present leadership. The announcement of the largest one had been made in the Soviet Press. And the present head of the Security Police — Serov — actually carried them out.

If it is only four years after Stalin's death that the action presents itself to his successors as un-Communist, we may perhaps seek other motives than purely

doctrinal ones in this welcome restoration — particularly as two of the main nations deported are not rehabilitated.

The original purpose of the deportations was partly penal and partly "strategic." Vlasov's Handbook of Administrative Law, published in Moscow in 1946, gives the purpose of "resettlement" carried out by the organs of State security as "State security and defence of State frontiers."

Civilian

During the Second World War, the Germans had reached, or nearly reached, the North Caucasian peoples. They were only a few hundred miles from the Turkish frontier — a position which might perhaps have inspired a civilian strategist like Stalin as dangerous, though, in fact, the area is practically inaccessible, and now that Soviet generals have such great influence in the councils of the Party, the strategic argument would presumably carry less weight.

To add to the argument — the generals never relied the fact that the present security chief,

Serov, was awarded the "Order of Suvorov" — officially reserved for major victories in the field — for these very deportation operations.

Perhaps the strategic argument is the reason why the Crimean Tatars are omitted from this restoration of rights.

The Crimea is not an inaccessible area. Apart from its general strategic importance, proved in several wars, it borders on open sea, south of which lies the State to which the Tatars have always felt the strongest linguistic and natural ties — Turkey.

The Crimea is also very much a personal fief of Khrushchev's, who transferred it from Russia to his own stronghold of the Ukraine in 1954. Here Leninism seems compatible with mass deportation.

A further point presents itself. These peoples lived in the remotest valleys of the Northern Caucasus completely cut off from any foreign influence. They were enjoying, if the Soviet theory is accepted, the most satisfying forms of national autonomy — indeed they had voted over 99 percent for the regime in the previous elections. If Soviet solution of the nationality problem was really

so satisfactory, how did it come about that these peoples rejected it even to the extent of collaborating with the Nazis, of whom they knew nothing except the hostile accounts given them by the Soviet Press? Yet this "autonomy," which they found so intolerable, is all that is to be restored to them, politically speaking. It is certainly a great improvement that they are no longer to be pariahs, and that they are to return to their ancestral lands. But this is not to give them even a trace of the independence for which the Asian peoples inside and outside the USSR equally long.

Extreme

Oppressions One of the more extreme oppressions of the Soviet Middle East is to be partially rectified. But as before (and as in Hungary), the peoples of the whole area will remain subject to the absolute fiat of the Moscow Party Executive. And it will again be said to be all that they could possibly desire. The old Tsarist Empire was called "a prison of nations." The USSR has painted the cells in more attractive colours. But its treatment of unruly prisoners has been more brutal.

"An artist determined, as I was determined, to reach the heights, can do so only by giving his whole mind and heart to the task," Lee says. "To marry is to divide — wasn't it Caesar who said, 'Divide, and conquer'? He was talking about the enemy! Divide, and be conquered should be the warning to an artist. Singleness of purpose, singleness of heart, are essential to success."



THE LIBERACE STORY

by Anton Burney

"I have known many of the world's most beautiful women — and they were women not of beauty only, but of rare talent and personality, such as any man might dream of sharing his life and hopes with. It has often been an effort to look away and to remember that such rich delight is not for me — not yet. After the toll, the rest, after the conquest, the reward, I have had the fortune to reach the goal I set myself, and now, perhaps soon, I shall think of marriage. It must be a marriage of true minds, as Shakespeare says. She will need to give me great charity, great sympathy, and great love; and I shall give her something of that devotion I have given for over thirty years to the exacting mistress, Music. It is natural that too many marry in haste. I want for both our sakes to avoid that mistake."

Nearly forty thousand English pounds would have been needed to build Lee's house, if it had been set in England's green and pleasant land. In the very pleasant and green land of the United States it cost a hundred thousand American dollars: money well spent, for it is a business of the rich to circulate their money and not to hoard it. Many a technician and artisan in San Francisco sat down to a better Christmas dinner that year for having a share in this great building project. The last thing to be done was the big swimming pool, shaped like a grand piano and with a key-board terrace at the shallow end. This was the last Liberace signature on a house already full of the musical motifs he had chosen for himself. A magnificent pool

— for which he had waited ever since he learned to swim at the age of two — when he could hardly play a note on the piano! When Lee plays a concert he always uses a Baldwin piano made by the great American firm of instrument makers, and for this reason most of his long hours of practising at home are spent with a Baldwin. But it's a very special one, worth about \$5,000, which the manufacturers have given to him. As they have specified that they do not want it back for a hundred years it is possible that by the time they see it again it may be beginning to show signs of wear — at the moment it's getting about twenty hours' hard use every week. "Of course," Lee jokes, "I may not practise quite so hard when I'm a hundred and thirty!"

His other piano is unique. It's a Blüthner, valued at \$20,000, which was one of a pair built by the famous German firm some years before the war. Its fellow was destroyed in the

bombing of Leipzig. The piano is a concert grand, over ten feet long, in black picked out with real gold and with powder-blue felt inside. Sometimes Lee will play for a small circle of intimate friends on this dream instrument, and on these occasions when the lights are dim and there is "no forty-million audience" crowding the air, Lee will abandon himself to the love-liness and the sadness of the great composers and play softly, softly, the heart-breaking melodies of old Germany and Poland, especially for Mom. These are concerts the world cannot share, but I believe the refreshment they give to the player's spirit enriches his audience on the air when he returns to the concert platform or the studio.

Lee's bedroom is dominated by a huge bed, which someone once likened to a football field. "I like walking in my sleep without getting out of bed," is Lee's explanation of this over-size couch. He also says he's so

tired sometimes after hours of practising that he's almost asleep before he gets to his room and he can go to bed with his eyes shut because it's impossible to miss the bed! This monster is covered by day with a white bedspread decorated with black and gold, and is heaped with cushions of the same style. The bedroom is decorated in off-white, with black and gold touches, and is equipped with a cunning sound diffusion unit, so that when Lee operates his bedside turntable the music from his chosen record comes into the room from concealed speakers in the walls. Also by Lee's bedside is a very up-to-date intercom system by which he can speak to his mother or best guests in other rooms. And of course, a "bookcase" is within reach, for Lee loves to read in bed — sometimes the latest popular novel, and sometimes a weighty work of musical theory, or a biography. All though he is too busy to find much time for it, Lee is himself a writer. He has sponsored and supervised a new work on music teaching which is expected to revolutionise teaching techniques in America, and he is engaged on a serious history of Candelabra, which will be the fullest and most authoritative ever issued on this subject. Lee's well-known interest in candelabra stems from his first sight of the lovely Chopin film, A Song to Remember, in which one stood on the composer's piano. Now Lee always has candelabra on his piano when he plays.

To walk round this magnificent home is to understand what great wealth can do to make a man's life comfortable. But let no man envy Liberace. His life has become rich not by exploitation, not by amazing great profits from the sale of bread, not by speculating in other men's lives and souls, but by bringing innocent pleasure to the millions. No money was ever better earned, or more justifiably spent. Nor is it spent on personal comfort alone.

When Lee's house was being built, his contractor, William Steikal, was suddenly struck down by polio. The young builder was doing his biggest job with the Liberace house, and part of his bitter disappointment lay in leaving the work incomplete while he was in hospital. "The work went on," Steikal said, "but Bill Steikal has never seen it. Not yet, but he will. For Lee's understanding friendship has gone far to conquer the ravages of the disease. In Steikal's case, and there is hope of a cure. It was this illness, not his friend's that brought polio closely home to Lee, and was instrumental in causing him to establish one of the great enterprises of his life — The Liberace Foundation to fight polio. He and George began modestly enough with the purchase and gift to the Rancho Los Amigos Hospital of an electro-encephalograph (which is an instrument used in diagnosis of polio) which cost about five thousand dollars. Modestly — for five thousand dollars is a small fortune. Yes, modestly — for since then Lee's Foundation has made available for the fight against polio many thousands more, and he and George have dedicated the proceeds of four concerts a year to this work. In addition, Lee frequently visits polio hospitals to give concerts to the patients. "A man must have no hate in his heart for any living thing," Lee says, "but for such an evil as polio there can be neither charity nor mercy. This obscene horror must be stamped out from the living bodies it feeds on, and the world made clean of it. For my part, I shall never cease from this work so long as it remains to be done. And I thank the thousands of people who have helped by adding their contributions to mine. Every year more and more formerly incurable people are going back to a normal life. And I pray my friend Bill Steikal will soon be among them. That would indeed be a great reward."

Let those who envy success consider, if they would make so gracious a use of it, if it came their way. "Because the raised top of off his view of the garden, he had a sheet of plexiglass specially made and designed that brought polio closely home to Lee, and was instrumental in causing him to establish one of the great enterprises of his life — The Liberace Foundation to fight polio. He and George began modestly enough with the purchase and gift to the Rancho Los Amigos Hospital of an electro-encephalograph (which is an instrument used in diagnosis of polio) which cost about five thousand dollars. Modestly — for five thousand dollars is a small fortune. Yes, modestly — for since then Lee's Foundation has made available for the fight against polio many thousands more, and he and George have dedicated the proceeds of four concerts a year to this work. In addition, Lee frequently visits polio hospitals to give concerts to the patients. "A man must have no hate in his heart for any living thing," Lee says, "but for such an evil as polio there can be neither charity nor mercy. This obscene horror must be stamped out from the living bodies it feeds on, and the world made clean of it. For my part, I shall never cease from this work so long as it remains to be done. And I thank the thousands of people who have helped by adding their contributions to mine. Every year more and more formerly incurable people are going back to a normal life. And I pray my friend Bill Steikal will soon be among them. That would indeed be a great reward."

MORE TOMORROW

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For reservations, call your travel agent or **Alexandro House, 37031, Hong Kong**
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Headaches, Toothaches, Colds are quickly overcome by **CAFASPIN**

STRIKING DECISION BY MCC

BONUS POINTS TO BE AWARDED FOR FAST SCORING THIS SUMMER

London, Mar. 27. Bonus points are to be awarded for fast scoring in the first innings of English Championship matches this summer. This was the most striking decision to be taken by the Advisory County Cricket Committee when they met at Lords today to discuss the recommendations of the special Welfare Committee on the future of the game.

Other important decisions were announced, including: The rejection of the controversial proposal to limit first innings to 85 overs; approval of the limitation of leg-side fielders to five; new powers for umpires to stop time wasting and the standardisation of boundaries at a maximum of 75 yards.

The proposal to restrict leg-side fielders to five was carried, with not more than two to be behind the popping crease at the moment of the bowler's delivery. The original proposal specified "not more than two behind the wicket".

The standardisation of boundaries to 75 yards in any direction from the centre of the pitch met with general approval.

Although from 1952, counties will be limited to two first-class overseas players, this will not mean established overseas players having to stop first-class cricket here. A proviso has been added that players with existing contracts should be allowed to continue after 1952.

Another attempt was made to revive the pre-1937 l.b.w. law, under which a batsman could be out only to a ball pitched between wicket and wicket, but this did not succeed.

HOW IT WILL WORK

The "bonus" plan will work as follows:

A side winning the match and having gained two bonus points for scoring faster while gaining first innings lead to receive 14 points.

A side leading on the first innings in which it has scored the faster and wins the match, 12 points.

A side leading on the first innings in which it has scored

the faster and loses the match or draws—four points.

A side leading on the first in-

nings but losing or drawing the match, two points.

The recommendation giving more power to umpires to stop time wasting was adopted without alteration.

A proposal by Sussex to limit the length of a bowler's run was defeated. The strongest point made by the committee was that, in the event of a bowler taking unnecessarily long to bowl an over, the umpire, after a caution, would have power to request the captain to take off the bowler.

He would not then be allowed to bowl again in the same innings.

One of the most controversial "reforms" recently proposed by the MCC, the limitation of over to 85, was turned down by the clubs.

ANOTHER AMENDMENT

Mr. S. C. Griffiths, MCC assistant secretary, said, concerning the 85 overs proposal, that a suggestion to increase this to 90 overs met with support, but eventually an alternative put forward by Middlesex was adopted. This provided that first innings points should be reduced from four to two, and if the side which led had scored the faster, calculated on runs per over, they should gain another four points, to be retained whatever the final result of the match. Another amendment reduced the "bonus" points from 4 to 2 and this was carried.

A survey proposal, with a bearing on the conduct of the game, was adopted in principle. This urged that counties should draw the attention of their players in an emphatic manner to the concern felt about defensive tactics. In addition, they felt that the fundamental cause of this dull play lay not in the game but in the approach by many players, and in particular the captains.

The proposed knockout competition is to be deferred for further consideration by a later meeting of the sub-committee which prepared the scheme. A lot of snags arose and counties would more information of the subject.

The next meeting of the full MCC committee is on April 4, when today's decisions are expected to be ratified.—France-Press.

sell itself in a vast and ever-growing competitive field.

Transfers, and the interesting stories which so often go with them through the newspapers provide interest to our public which must be the envy in all other branches of the entertainment industry.

In my opinion it is a good thing for a player such as Eddy Brown to spotlight the fact that a footballer can do other things as well as kick a ball around.

—London Express Service. (COPYRIGHT)

THANKS, EDDY

Eddy Brown, the Birmingham City centre-forward and one of soccer's great characters, caused quite a sensation in football circles when the other day he turned up as a model.

But then Eddy, who can quote Shakespeare so fluently, is a typical example of a modern footballer. An intelligent chap, far away from the cloth-and-chocker character so many people still imagine a professional footballer to be.

Then comes the opportunity to move to another club—and the recent books prove that dozens of youngsters have found fame after a transfer.

Dick Neal, brilliant young Lincoln City left-half, is a typical example.

He was a promising lad at Wolverhampton. Now he is a member of the England Under-23 side—after being transferred to Lincoln, where he was able to gain a regular place.

PUBLICITY VALUE

There is another aspect of transfers one must never forget. It is their publicity value, especially towards the end of the season. A new player in a side—especially if he is a man with a big reputation—gives a tremendous fillip to clubs.

It adds interest to the team. People go along to see the "new boy".

I know there are people who nod their heads in disgust at the thought of publicity being attached to football, but I am one of those who appreciate in full the value of letting the world know what you have to sell.

And football, like other forms of entertainment, now has to

THE GAMBOLS

There's an advertisement in the paper for some one to wash up.

FOUR EVENINGS A WEEK, FOUR SHILLINGS AN HOUR.

THINK OF THE MONEY YOU'RE SAVING.

GOLDEN CHURN

SWISS & MAGNETIC LTD.

of the Club.

(Signed)

NOW BOTH TWINS ARE WED



A kiss from the Matron of Honour, Rosalind, to sister, Diane, who married Mr Desmond Collins at St. Andrew's Church, Sudbury on March 23. The twins, both world-famous table tennis players, are likely to be playing together in the forthcoming English Championships.

LOOKING AT SPORT

Dai Dower Seeks To Wrest World Title From Pascual Perez

By DENNIS HART

In the next couple of days two little men will settle an argument in the centre of a vast soccer stadium in the Argentine; two others will perform a similar ceremony at an ice rink in Nottingham; a couple more, plus sixteen heavyweights, will do battle over a stretch of the river Thames between a bridge and a brewery.

All in the cause of sport. And what ructions some of these activities have already caused.

In Argentina's soccer stadium on March 30 one of the miniature gladiators will be Dai Dower, erstwhile hewer of coal, now Lance Corporal Dower of the Welsh Regiment, and Flyweight Champion of the British Empire.

Dower seeks to wrest the world title from Pascual Perez, Perez is the local boy and, naturally, worthy South American reaction that Dower has not much chance of winning.

Strange to report this post for British fight fans, too. Even for Welsh ones.

Most, in fact, declare that so doomed is the Dower mission that he has no right to be the cause of Britain's name being dragged once more through the boxing mud.

Has Dower a chance, and if not should he be allowed to fight Perez?

YES AND NO

Yes and no, or rather no and yes.

Even at his best I do not think that Dower would beat Perez. The Welshman's limitations in dealing with a hard-hitting fighter who comes forward were severely shown up in the mauling he got from Young Marlin of Spain.

Now after an eight month lay-off from the ring, Dower can hardly be in top form.

But this is not Dower's fault. He just has not been able to get fights. Boxing is in such a precarious position in Britain that promoters will not invest much money in fighters who are not guaranteed box office attractions—and that includes flyweights.

So Dower has been an unwilling non-fighting champion. And mention that Dower could beat his time, get the fight and then go for a crack at the

Former Boxing Champion Retires

Rome, Mar. 27. Tiberio Milil, Italy's former European Middleweight Boxing Champion has retired at the age of 39, from professional boxing. It was announced here today.—France-Press.

IN FULL FLOW

There is no more graceful sight than a Cambridge eight in full flow. But this case and

grace has got Britain exactly nowhere in world rowing in recent years. Maybe the rugged approach will get results.

That is what Oxford think. And rather than get into their stride on a small quiet stretch of river Oxford have done nearly all training on the boisterous Thames tideway on which the race itself will be rowed.

There has been one difference. During the race the river will be cleared. Oxford have cheerfully competed with the tugs, barges and lighters that go to make up the busiest stretch of waterway in the world. And they have done it for hours on end. It's the old Zulu theory of putting so much into training that the race itself seems almost easy by comparison.

Don't be surprised if Oxford's results are almost as staggering as those of the famous Czechs. (London Express Service.) (COPYRIGHT)

IAAF Issues List Of 83 New World Records

London, Mar. 27. The International Amateur Athletic Federation today issued a list of 83 world track and field records, set between January 1, 1956, and March 15, 1957, and now accepted by the International body.

Sixty of the marks were made by men athletes and 23 by women. Eight of the records were made at the Melbourne Olympics in November.

Thirty of the men's marks and one of the women's are credited to United States athletes.

The Soviet Union claims nine of the men's and nine of the women's records.—United Press.

WORLD FLYWEIGHT TITLE FIGHT AT BUENOS AIRES ON MARCH 31

Paris, Mar. 27. Some 7,000 miles, 86 hours and a six pound weight difference separate two world boxing title fights to be held at the end of this month and at the beginning of April.

Argentine's World Flyweight Champion, Pascual Perez defends his crown against Dai Dower, the British and Empire Flyweight Champion at Buenos Aires on March 31.

On April 1, in Paris, at the Palais des Sports, Italy's deaf and dumb World Bantamweight Champion, Mario D'Agata defends his title against Alphonse Halimi, the French challenger.

D'Agata, who arrives here on March 28 after training at the North Italian village of Comerio, puts his title at stake for the first time. He took it from a Frenchman—Robert Cohen—at Rome's Olympic Stadium on June 29 last year, when the Argentine stopped the fight in the seventh round.

This will be the first world boxing title fight in the French capital for 20 years, since France's Marcel Thil retained his World Middleweight title against Canada's Lou Brouillard on February 15, 1937.

MILITARY SERVICE

America's Percy Bessal defeated France's European Featherweight Champion, Ray Farnoch, for the Interim World Featherweight title here on February 9, 1953, whilst Sandy Saddler, the reigning Champion, was on military service in the United States Army.

Both D'Agata and Halimi have been training up to the hill for next Monday's fight. D'Agata is the bantamweight version of Jake La Motta, the Italian-American former World Middleweight Champion.

Six years older than his 25-year-old challenger, the Italian Champion is slow for a bantamweight, but has a punch like the kick of a donkey. He hands out solid punishment but can take solid punishment. In his 51 professional fights he has never been sent to the canvas and in return has wrapped up 22 fights before the limit. He has won 23 fights on points, had three drawn fights and lost three.

Halimi's kid brother, at 1951, and one to Robert Cohen in 1954.

Light—Cin Gorton v Gnr Williams (19 Fd Regt).

Fly—Cpl Kevin (RAF) v Dick Yee (China Gym).

Light—Tyr Green (7 H.) v A/B Goodenough (HMS Tamar).

Light—Cpl Adams (13 G/Howards) v A/B Perry (HMS Albert).

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CHINA
MAIL

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PUBLISHED DAILY
(AFTERNOON)**

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CLOTHING SALE—Cambridge Co.
Shoes dept., close on 1st March.
Ladies and gentlemen's shoes at
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10% saving on all throw rugs at
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SPANISH LIVES in the fingers of
Andrés Segovia, the world's foremost
guitarist. Listen to "An Evening
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Simple American method. Learn
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Morning/afternoon/evening. Com-
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NOTICE

THE HONGKONG &
SHANGHAI HOTELS,
LIMITED

Notice To Shareholders

Notice is hereby given that the Ordinary Yearly Meeting of the Shareholders of The Hongkong & Shanghai Hotels, Limited, will be held at the Registered Office of the Company (second floor, Telephone House, Des Voeux Road Central, Hongkong) on Friday, the 29th day of March 1957, at Noon, for the purpose of receiving the report of the Board of Directors together with the Statement of Accounts for the year ended 31st December, 1956, to confirm the appointment of a Director, to re-elect a Director and to appoint Auditors.

Notice is also given that an Extraordinary Meeting of the said Shareholders will be held on the same date and at the same place immediately following the conclusion of the said Ordinary Yearly Meeting to consider, and if thought fit to pass the following resolution as a Special Resolution, namely:—

"That the Articles of Association of the Company be altered in the following manner, that is to say:—

(a) That the words "Two Directors" in Article 14 be deleted and the words "one Director" substituted in place thereof.

(b) That Article 138 be deleted and the following Article substituted in place thereof:—

138(a) All deeds or instruments other than share certificates requiring the seal of the Company shall be signed by two Directors at the least and countersigned by the Secretary or by some other person appointed by resolution of the Directors.

(b) Cheques and other instruments not requiring the seal of the Company shall be signed by one Director and countersigned by the Secretary or by some other person appointed by resolution of the Directors.

The Transfer Books of the Company will be closed from the 16th March, 1957, to the 29th March, 1957, both days inclusive.

By Order of the Board
A. SOMMERFELT
Secretary.

HONG KONG 2nd Mar., 1957.

REVERSES ALARM TORIES

Sections Of Conservatives Reluctant To Vote In By-Elections

By FRASER WIGHTON

London, Mar. 27.

Mr Harold Macmillan, the Prime Minister, and his new Government face the urgent task of arresting the present decline in the Conservative party's popularity with British voters.

Cabinet Ministers and party managers alike are seriously concerned by the slump in electoral support reflected in Conservative reverses in recent Parliamentary by-elections.

It is widely recognised both among Conservative and Labour Opposition politicians that the swing away from the Government arises from three main causes. They are:

1. The economic and diplomatic aftermath of British armed intervention in Egypt.
2. The continued rise in the cost of living.
3. The Government's controversial new Rents Bill, which, when passed into law, will decontrol rents and tenure of 800,000 houses and eventually raise the rents of between 4,000,000 and 5,000,000 more.

Conservatives had hoped that the recent change of Prime Minister and Cabinet after Sir Anthony Eden's resignation through ill health would halt an already apparent decline in their party's electoral fortunes. But a group of by-elections fought since the January Government changes has served only to emphasise the drift from the Conservative cause.

The results included the loss of a Government seat in London to Labour and Labour's defeat of a Conservative-backed Liberal in a Welsh constituency.

Withholding Votes

But the main message which the by-elections as a whole contained for the Government was not of a spectacular swing to the left so much as of a failure by many Conservatives to go to the polls at all.

The new Prime Minister is acutely conscious of the danger of the present tendency. In a message to the Conservative candidate in a new by-election he said that he hoped Conservatives would think twice before they played into the hands of the Socialists by withholding their votes.

"It is at times such as this, when disagreeable remedies have to be applied to deep-seated ills, that their loyal support is most needed," Mr Macmillan said.

Referring to "reduction of the Conservative vote" at by-elections, he said that he understood the motives of some who claimed not to sympathise with their grievances, "especially of those who have to live on fixed incomes." The Prime Minister added that these people were not being forgotten by the Government.

In the forefront of Mr Macmillan's mind was clearly what happened at North Lewisham, an industrial residential district on the south-east border of London, in the first of the recent by-elections. There, the Conservatives' 1955 General Election majority was wiped out and Labour captured the seat by 1,110 votes. An Independent "Empire Loyalist" woman candidate who intervened, split the vote and polled 1,487—most of her support being apparently derived from disgruntled Conservatives.

The most significant aspect of this election for the Government, however, was that its share of the total votes polled in the contest fell by 7½ per cent.

This was followed by a bigger drop in the Conservative poll.

BIRTHS

LAFLEY—To Betty and Donald, a son, Barry Anthony, in N.Y., U.S.A., on 19th March, 1957.

NOTICE TO CONSIGNEES

In the "TAPING"
arr. 26th March, 1957

Damaged cargo ex this vessel will be surveyed by Messrs. Goddard & Douglas at Hong Kong & Kowloon wharf Godown at 10 a.m. on Friday, 29th March, and Saturday, 30th March, 1957 and consignees representatives are requested to be present during survey.

BUTTERFIELD & SWIRE,
Agents.
Australian-Orion Line Ltd.
China Navigation Co., Ltd.

NOTICE TO CONSIGNEES

"DOLPHIN"
Damaged cargo ex this vessel will be surveyed by Messrs. Goddard & Douglas at Kowloon Wharf from 10 a.m. on March 29 and 30, 1957, and consignees are requested to have their representatives present during the survey.

BUTTERFIELD & SWIRE,
Agents.
Hong Kong, March 27, 1957.

at Wednesbury, in Staffordshire, the English pottery-making country. The Labour defender of the seat substantially increased his party's 1955 majority, though fighting Conservative and Independent opponents compared with only a Conservative stronghold. There the former Prime Minister's 1955 majority of 13,400 was slashed by five-sixths in a straight fight with Labour, reducing this former "safe" Government seat overnight to a "marginal" constituency which would be highly vulnerable in a General Election. The Conservative share of the poll fell by 12 per cent.

Disillusioned

But the Government's biggest shock came from Sir Anthony Eden's old constituency of Warwick and Leamington, hitherto regarded as a Conservative stronghold. There the former Prime Minister's 1955 majority of 13,400 was slashed by five-sixths in a straight fight with Labour, reducing this former "safe" Government seat overnight to a "marginal" constituency which would be highly vulnerable in a General Election. The Conservative share of the poll fell by 12 per cent.

In Carmarthen, Wales, on the same day, the Government received a fresh disappointment. It had put forward no candidate of its own for a by-election there, feeling this was too tough a local stronghold for a Conservative to crack. But Conservatives were backing the Liberal defender against a Labour challenger, who won the seat.

The Welsh contest was, however, the bitter pill for Liberals—opposed Britain's ruling party—who had the humiliation of seeing one of their six remaining seats in the British House of Commons fall to a Socialist convert who was once a leading pillar of their own political faith—Lady Megan Lloyd George, daughter of the great David Lloyd George, Britain's Liberal leader in World War I.

The Warwick and Leamington contest was the Government's most serious reverse, for it clearly established for them a new and disturbing factor in current political trends.

The other contests had shown that a section of Conservatives, disillusioned for a variety of reasons, were prepared to withhold their support from their own party or back an independent candidate, but were reluctant to vote for a Socialist. But Warwick and Leamington voters, with only the choice between Socialism and anti-Socialism, demonstrated that in such circumstances they were prepared to express their dissatisfaction by voting for the Labour candidate—whose poll rose from 10,513 in 1955 to 22,701.

Middle Class

Politicians generally conceded, however, that the contest had special features. Sir Anthony Eden's 1955 majority was due in part to personal popularity.

The Government, through Ministerial speeches, has made clear that it has no intention of being panicked by the present trend and by Labour demands for a General Election. The Eden administration was elected in May 1955, and Conservatives, with a majority of nearly 60 in the House of Commons, need not ask the Queen to dissolve Parliament until the statutory period of five years has expired in 1960.

Mr Macmillan knows that by-elections in Britain rarely give an accurate index of how the whole nation would swing in a General Election. He is also well aware that disillusioned local supporters who might register protests by voting against the Government when only one by-election is involved, would be unlikely to risk unseating it in favour of a Labour administration by withholding their support in a General Election.

The nation's annual financial Budget to be announced on April 9 is expected to provide some pointers of how the Government proposes to recapture its lost popularity. It is under heavy pressure from some of its own Parliamentary supporters to provide Income tax and other reliefs for the hard-pressed middle class, which is believed to be the section of the electorate principally responsible in recent Conservative difficulties. The rising cost of living weighs especially heavily on fixed-income groups of the population, who have always been looked upon in the past as being the most loyal Conservative supporters.

Mr Macmillan's problem is how to reconcile relief to the tax-payer, which are being demanded also by the 8,000,000 strong trade union movement, with current pressure on the economy following the Suez crisis.

The nation's bill for armed intervention in Egypt includes not only the cost of the military operation, which runs into many millions pounds sterling but also the damage suffered by the economy through the subsequent oil shortage after the blocking of the Suez Canal and the severing of Middle East pipelines. This development compelled the Government to introduce petrol rationing, accompanied by increases in petrol duty and price—increases which are believed to have played their part in the present swing away from the Conservatives.

The Government has announced that it is reviewing Britain's annual defence expenditure of around £1,500,000 with a view to substantial cuts by reducing ground forces in Europe and concentrating on guided missiles equipment. The amount which it eventually decides to save under this head may well govern what concessions it is able to offer in the April Budget.

Meanwhile, Ministers appear convinced that the present loss of Conservative popularity, though serious, is a temporary phase, and that Mr Macmillan is capable of providing a reasonably speedy answer to it. —China Mail Special.

Young Opera
Star

Anja Silja, 18, who recently sang the part of Zerlina in a German production of Richard Strauss' "Ariadne auf Naxos", is said to be the youngest opera star in the world. Could be also the prettiest, too.—Express Photo.

State Funeral For Herriot

Paris, Mar. 27.
The French Cabinet today decided to hold a state funeral for veteran statesman, Edouard Herriot, who died yesterday at the age of 84.

The funeral will be held next Saturday in Lyons, where Herriot was Mayor for many years.

Herriot was honorary President of the French National Assembly.

Government spokesman, Gerard Jaquet, said after today's Cabinet meeting that there would be probably only one funeral oration at Saturday's ceremonies, to be delivered by Guy Mollet.—France Press.

Yugoslavia Wants West To Help In Refugee Problem

By JOHN EARLE

Belgrade, Mar. 27.

Yugoslavs complain, with a certain bitterness, that the West is failing to help relieve them of their burden of over 17,000 Hungarian refugees.

Mr Svetislav Stefanovic, Minister of the Interior, declared in a statement in February that some Western countries "were showing 'lack of understanding' by admitting only a handful of the 12,000 out of these 17,000 who wished to emigrate abroad."

"It is evident that some countries honour more in words than in deed the principle of free determination of destination by refugees," he declared. At the time he spoke, only 214 had been accepted by Western countries. The United States, Australia and Canada were most popular among refugees on destinations, he said, but had not taken any. Only France was willing to admit refugees without limitations, while Israel accepted Hungarian Jewish refugees.

Financial Burden

The financial burden of maintaining refugees was too big a strain for Yugoslavia, "we ask to be returned the costs hitherto of maintaining the refugees, and that special funds be set aside for further expenditure, for our economy is not able to bear such a big unforeseen burden," Mr Stefanovic declared.

"Many refugees," he continued, "are living in tourist hotels and hostels which are empty during the winter but will be needed when the tourist season begins again in the spring."

Foreign observers here recall that the flow of refugees to Yugoslavia only started on a large scale in January. On January 1, there were 1,748 Hungarian refugees in Yugoslavia. Six weeks later, there were about ten times that number.

At that time, Yugoslavia's relations with the Soviet Government and with the Soviet authorities in Hungary were delicate as a result of the Soviet abduction of the former Prime Minister.

Minister, Mr Imre Nagy, when he left the asylum of the Yugoslav Embassy in Budapest.

In November, Yugoslavia also declined an offer of aid from the United Nations High Commissioner for Refugees on the ground that in view of their small numbers such aid was not necessary.

Then, in January, the situation changed. As the flow of refugees to Austria slackened, it increased towards Yugoslavia because the Hungarian and Soviet authorities were slower to impose strict control along the whole southern border with Yugoslavia.

The Yugoslav attitude also changed as the cost of maintaining refugees increased. The Yugoslav Government turned to the United Nations High Commissioner for Refugees who, after a survey made by its representative, Mr Arvid Rodhe, of Iran, established an office in Belgrade under a Frenchman, M. Pierre Brumont.

The Hungarian Government sent a repatriation mission. Foreign correspondents were invited to watch while refugees desiring repatriation were interviewed by a joint Hungarian-Yugoslav commission. In the presence of an United Nations observer.

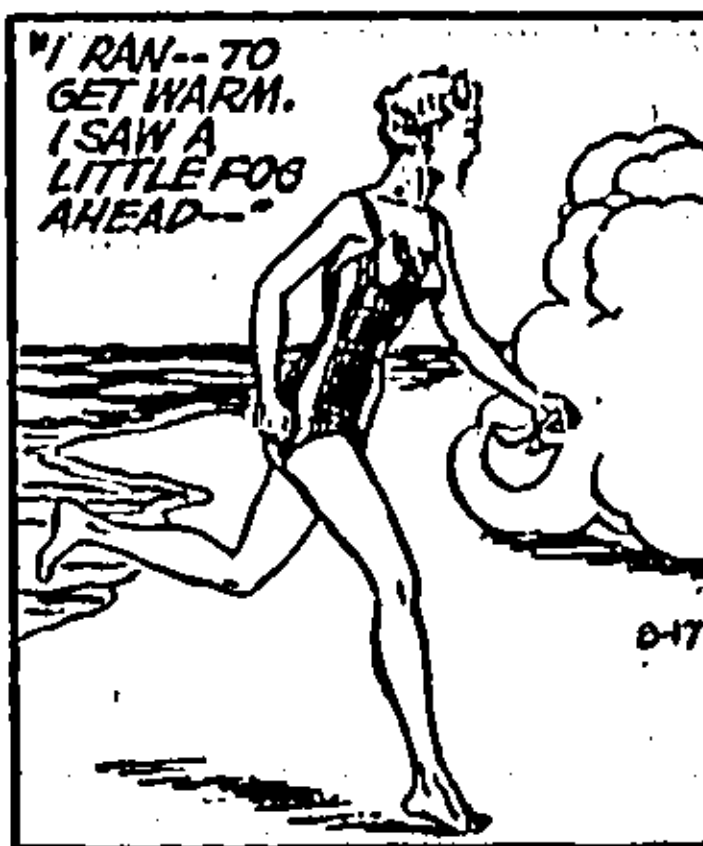
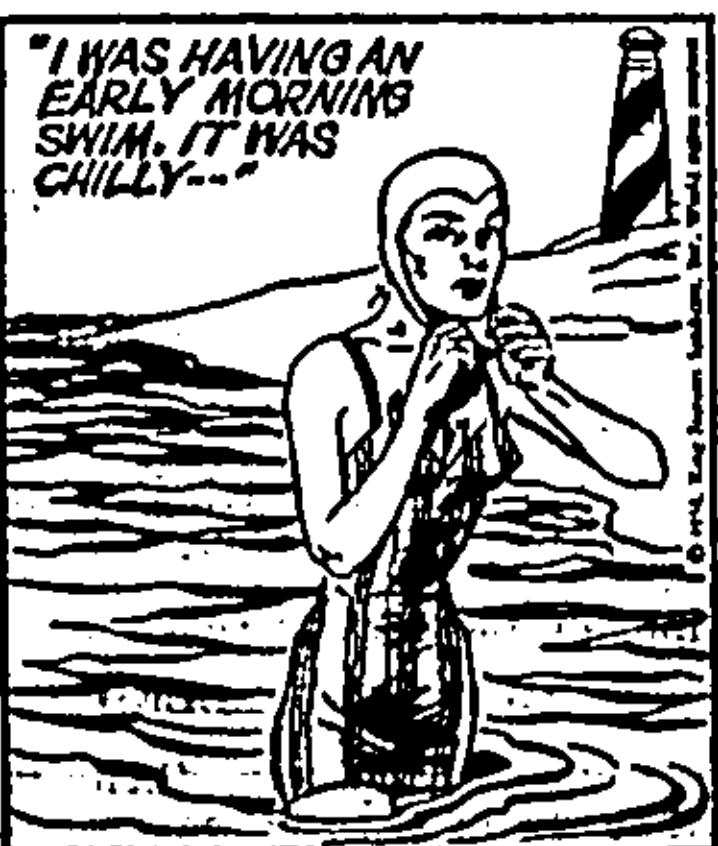
Acceptance

A United States Embassy official, questioned about the failure to accept any refugees so far, said that all details had been sent back to Washington and instructions were awaited.

An official of the British Embassy, which handles Australian internees, stated that the Australian Government was only willing to accept Hungarian refugees who already had relatives in Australia.—China Mail Special.

MANDRAKE THE MAGICIAN

By Lee Falk and Phil Davis



FERD'NAND

By Milk



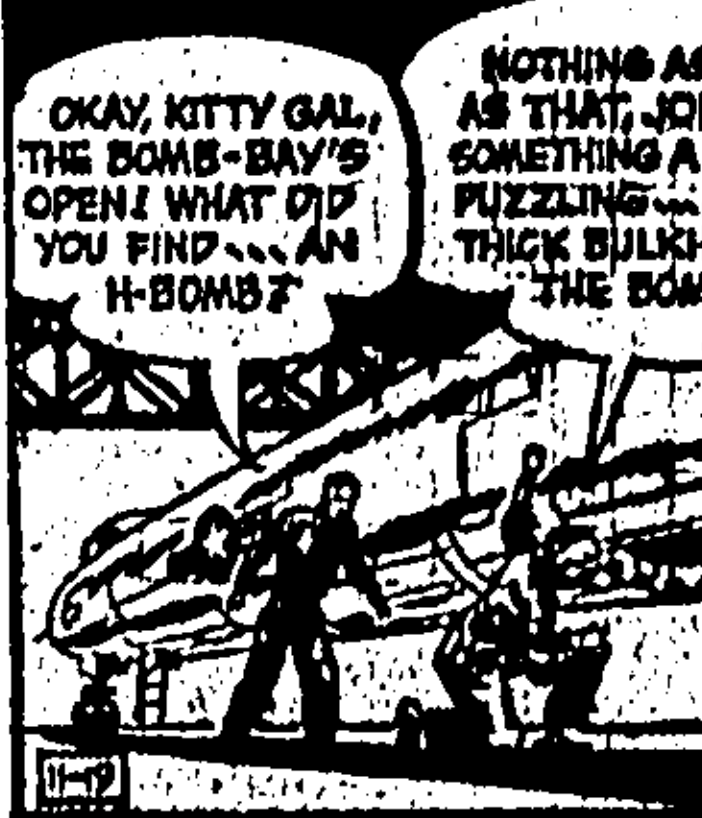
NANCY

By Ernie Bushmiller



JOHNNY HAZARD

By Frank Robbins



TRADE and COMMERCE SECTION

DEAR MONEY LITTLE HELP TO STERLING

Funding Policy Not So Good Last Month

London, Mar. 27.

Dear money has ceased to be much if any help to sterling. It has become irrelevant. Sterling and the dollar reserves now depend mainly on overseas appraisals of Britain's politics and her economic dynamism.

Overseas opinion is well aware that the British can tighten their belts; what it wants to be shown is that they can soundly expand.

Disinflation in the sense of equalizing physical supply and demand can just as well be procured by stimulating production as by repressing consumption and investment.

The expansive way is much the pleasanter; after two years of stagnation of overall industrial output there is plenty of scope for it.

Politics which continue that stagnation have no future in either politics or economics. Probably they are out already, by or before Budget Day on April 9 they may be seen to be out.

Squeeze

Reducing the residual tension in the labour market probably requires further monetary disinflation. The key to that is funding, to squeeze the banks' liquidity. Again, it can just as well be done by lowering short rates as by raising longer ones. Either method gives the necessary inducement to go long.

The easy way is the more pleasant, and might well be the more effective.

The good times for sterling and the economy are the times when the authorities do some good funding. After brilliant handling in December and January there looks to have been a mis-handling in the past month.

The double-talk which accompanied the cut in the Bank rate—with the Bank of England giving one set of explanations and the Treasury Ministers quite another—stopped the most promising of facts funding operation in its tracks.

Intent on avoiding a booming market in gilt-edged, the authorities seemed to forget, or at least to allow other people to forget, that they needed a sound and absorptive one.

Exaggerations

They may also have overlooked the effect of slumping freights and easier commodity prices on business sentiment, particularly as affecting inventories and private import demands. This may be a part of the price that has to be paid for the wild official exaggerations of the oil shortage.

Having deluded themselves that there were shortages where in fact there were glut, the officials have been scrambling to board products which they ought to have been scrambling to unload.

If they expected businessmen and motorists to be equally irrational, they probably know better now.

The current funding operation, the denationalisation of Steel Company of Wales, is brilliant in dividend policy, at least by comparison with what has been imposed on the rest of the steel industry. It is also far more attractive and logical for pension funds than most of the other things that those funds buy and hold.

Treasury Issue

More logical, in particular, than such things as the Treasury's Eternity 3½%. Selection of the Treasury issue for the formal funding operation implied a belief in some official quarter that this country's position funds are run by risk-takers. Why on earth should the tax-free capital gain be supposed to be most attractive to the one group of investors to whom it is least relevant, inasmuch as all their income is tax-free?

HONGKONG STOCK EXCHANGE

(From Our Correspondent)

Business done on the Hong Kong stock exchange this morning amounted to approximately \$330,000. Noon quotations and the morning's transactions:

Shares	Buyers	Sellers	Sales
GOVT. LOANS	10 1/2	11 1/2	11,000 @ 80
Bank of China	10 1/2	11 1/2	100 @ 100
Bank of Communications	10 1/2	11 1/2	20 @ 100

INSURANCES	10 1/2	11 1/2	100 @ 100
Union Insurance	10 1/2	11 1/2	30 @ 100
Shanghai Insurance	10 1/2	11 1/2	10 @ 100

SHIPPING	10 1/2	11 1/2	300 @ 0.70
Wheelock	10 1/2	11 1/2	1000 @ 0.70
1000 @ 0.70			

DOCKS, ETC.	10 1/2	11 1/2	100 @ 100
Bank of China	10 1/2	11 1/2	40 @ 100
Bank of Communications	10 1/2	11 1/2	10 @ 100

LAND, ETC.	10 1/2	11 1/2	100 @ 100
Bank of China	10 1/2	11 1/2	40 @ 100
Bank of Communications	10 1/2	11 1/2	10 @ 100

UTILITIES	10 1/2	11 1/2	100 @ 100
Bank of China	10 1/2	11 1/2	40 @ 100
Bank of Communications	10 1/2	11 1/2	10 @ 100

STOCKS, ETC.	10 1/2	11 1/2	100 @ 100
Bank of China	10 1/2	11 1/2	40 @ 100
Bank of Communications	10 1/2	11 1/2	10 @ 100

WATSON	10 1/2	11 1/2	100 @ 100
Bank of China	10 1/2	11 1/2	40 @ 100
Bank of Communications	10 1/2	11 1/2	10 @ 100

CHINA	10 1/2	11 1/2	100 @ 100
Bank of China	10 1/2	11 1/2	40 @ 100
Bank of Communications	10 1/2	11 1/2	10 @ 100

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Cotton Traders Awaiting New Incentives

WORLD PRICES

New York, Mar. 27.

Cotton futures today opened steady and remained on a slight upgrade for rest of the session.

After an initial spurt of activity, however, trading flattened out as buyers and sellers marked time pending crop news, plus Washington developments on farm legislation or other new incentives.

Closing prices ruled up 8 points to off 1 point. The market opened up 1 to 3 points. New Orleans closed up 6 points.

Nearby months held relatively firm on covering by recent sellers. Routine domestic mill buying and shipper covering against export commitments, found a limited supply of contracts.

Possibilities for a higher government loan rate on the new crop, and heavy sales out of the government surplus stock, acted to restrain sellers.

Far forward deliveries, however, met resistance on the advances. Selling was attributed partly to reports the administration this year may recommend congressional action to relax production controls and allow price support to slide lower.

However, Agriculture Secretary Benson indicated he will not press for action before 1958.

The certificated stock remained at 10,430 bales.

Month	Volume	Open Interest
May	13,000	38,000
July	7,000	16,000
October	14,000	17,000
December	10,000	63,700
March	3,500	72,200
May	3,100	60,000
July	1,000	4,000
Total	51,600	1,020,300 bales

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WORLD RUBBER MARKETS

New York, Mar. 27.

Rex rubber contract closed today to 12 points higher with sales of 127 contracts.

Mar.	31.90
Apr.	31.90
May	31.90
June	31.90
July	31.90
Aug.	31.90
Sept.	31.90
Oct.	31.90
Nov.	31.90
Dec.	31.90
Jan.	31.90
Feb.	31.90
Mar.	31.90

Mar.	31.90
Apr.	31.90
May	31.90
June	31.90
July	3

JOHN HASTIE & CO., LTD.
SHIPS STEERING GEAR.
ENGINEERING EQUIPMENT CO., LTD.
H.K. & Shanghai Bank Bldg. Tel. 37789

CHINA MAIL

SHEAFFER'S
ADMIRAL "SNORKEL" PEN

Page 10 THURSDAY, MARCH 28, 1957.

Mail Notices

The latest times of posting shown below are those for unregistered correspondence posted at G.P.O. Hong Kong. The latest posting times elsewhere which, in general, are earlier than the G.P.O. times, can be ascertained by enquiry at the local office. The latest posting times for registered articles are generally one hour earlier than the times shown below. Particulars regarding parcel mails can be ascertained by enquiry at any post office.

THURSDAY, MARCH 28
By Air
Pakistan, Middle East, Africa, Great Britain, Europe, 6 p.m.
Thailand, Ceylon, Burma, India, 6 p.m.

By Surface
Japan, Canada, 5 p.m.

FRIDAY, MARCH 29
By Air
U.S.A., 8 a.m.
Ceylon, India, 6 p.m.
Germany, 10 a.m.
France, 11 a.m.
Netherlands, 11 a.m.
Belgium, 11 a.m.
Luxembourg, 11 a.m.
Switzerland, 11 a.m.
Austria, 11 a.m.
Italy, 11 a.m.
Spain, 11 a.m.
Portugal, 11 a.m.
Greece, 11 a.m.
Turkey, 11 a.m.
Egypt, 11 a.m.
Sudan, 11 a.m.
Ethiopia, 11 a.m.
Somalia, 11 a.m.
Kenya, 11 a.m.
Tanzania, 11 a.m.
Zambia, 11 a.m.
Zimbabwe, 11 a.m.
Botswana, 11 a.m.
Namibia, 11 a.m.
South Africa, 11 a.m.
Mozambique, 11 a.m.
Malawi, 11 a.m.
Zambia, 11 a.m.
Zimbabwe, 11 a.m.
Botswana, 11 a.m.
Namibia, 11 a.m.
South Africa, 11 a.m.
Mozambique, 11 a.m.
Malawi, 11 a.m.

UNION WATERBOAT COMPANY SALES DOWN, BUT PROFITS UP

The Union Waterboat Company, Limited, made a profit of \$444,539.56 during the year ended December 31, 1956, shareholders were told at the annual ordinary general meeting of the company this morning.

Sales during the year dropped by two per cent but profits increased by nine per cent, said Mr G. M. Goldsack, Chairman of the Consulting Committee, in his report to the shareholders.

The following is the Chairman's report which was unanimously adopted:

"Before dealing with the Statement of Accounts, I wish to refer to the increase of Capital by Ordinary Resolution on the 28th March, 1956, whereby 71,430 Bonus shares of \$7 each, fully paid up, were allotted to Shareholders. The issued Capital of the Company is now \$1,600,030.00 composed of 214,290 shares of \$7 each, fully paid up.

"It is gratifying to report that although, owing to severe water restrictions which were enforced for the greater portion of the year and which resulted in sales being two per cent less than in 1955, the profit for the period under review was nearly nine per cent higher than the previous year. The reason for this is that much less was expended during 1956 on repairs, renewals, and the upkeep of our fleet. You will recall that in my speech last year I mentioned that our fleet was in such good condition it was anticipated we would not have to spend much over the next two or three years, and this has proved to be the case for the year ended 1956.

DISTRIBUTION

"The profit for the year amounted to \$444,539.56, to which must be added the sum of \$15,123.20, being the balance brought forward from last year, and \$520.90 for taxation over-provided in previous years, leaving for appropriation a total sum of \$460,183.66 which your Consulting Committee propose should be dealt with as follows:

"To transfer to Fleet Replacement and Depreciation Reserve \$70,000; to Reserve for Depreciation \$20,000; to transfer to Staff Leave and Superannuation Fund \$15,948; to Provision for Corporation Profits Tax 1957/1958 \$43,000; to pay a Dividend of \$1.70 per share on 142,860 Old Shares \$242,862; to pay a Dividend of \$0.85 per share on 71,430 New Shares \$60,715.50; to carry forward to next year \$7,854.16.

"These Appropriations have been incorporated in the Accounts.

"The appropriation of \$70,000 to the Waterboat Replacement and Depreciation Reserve is made on the recommendation of our Auditors and is in line with the policy adopted by your Committee last year to set aside a like sum yearly to ensure as far as possible that the Company will be in a position to finance replacement of the units of our fleet as and when it becomes necessary without having to call upon Shareholders for additional Capital.

FULLY EXPENDED

"The sum of \$32,000 set aside at our last yearly meeting for the purpose of redecking the motor launch 'Diana' and for the replacement of a pump engine and impeller for No. 5 Waterboat was entirely expended during 1956. This was of course in addition to normal repairs, renewals and upkeep.

"However, it will be noted that no reserve for special repairs is required for this year and your Superintendent reports that our fleet is in excellent condition.

"It will be noted that our investments have decreased in market value during the past year and the total depreciation of \$31,436 has been transferred to the Investment Fluctuation Account.

"I wish on your behalf to thank the members of the Staff, both ashore and afloat, for the excellent work carried out during the past year."

Dies In Ambush

Algiers, Mar. 27.

The son of General Augustin Guillaume, former Chief of the French General Staff, was killed in an ambush late Saturday night in Algeria. He was named today.

Lieutenant Guillaume was ambushed near Moulaville, about 38 miles south of Algiers, Franco-Press.

SIDE GLANCES By Galbraith



"You'd certainly have me worried, the way you climb around, if we didn't have hospitalisation!"

Trade Union Premises Raid Described

Further evidence of a mob raid on a trade union premises in a village at Tsun Wan was given this morning at the murder trial of a 30-year-old factory worker, Chan Hon, before Mr Justice C. W. Reece and a Special Jury at the Criminal Sessions.

Something Really Sensational

Something really sensational will be seen at the Cheero Club tonight when Mr Maurice Fogel, the famous British variety artist, whose most exciting act to date has been to catch a bullet fired from a service rifle between his teeth, will catch four bullets fired simultaneously.

Four local servicemen, using service rifles and ammunition, will fire the bullets.

Mr Fogel has perfected this extraordinary trick during the past twelve months, but this will be his first demonstration of it in Hong Kong.

Tonight at 7.30, half an hour before he appears at the Cheero Club, Mr Fogel will be interviewed by Rediffusion when he will discuss the changes in the British variety world.

ROBBED WHILE HE SLEPT

A Chinese man reported to the Police yesterday that his wrist watch was stolen whilst he was sleeping at a house in Man Ming Lane, near Reclamation Street in the early hours of yesterday morning.

BOY INJURED

An eight-year-old boy, Tso Chi-keung, 5 Man Yuen Road, Diamond Hill, suffered concussion when he was knocked down by a bicycle in Ngau Tau Road near the Fuk Yek Bridge last evening. He is detained in Kowloon Hospital.

PETROL AND STRAW

He said the car was first turned on to its side, then one person ran across the road to gather some straw. As petrol leaked from the vehicle, the straw was put on it. Five or six petrol-soaked matches and threw them on the petrol-soaked straw. The car was then pushed back on to its four wheels, standing over the burning straw.

CROSS-EXAMINED

He was "cross-examined" at length on his identification of the accused.

The seventh accused began his cross-examination by asking the Judge what would happen to a man who perjured himself.

Watsons' Profit Increases By More Than 8 Lakhs

A net profit of \$1,428,363, which compared favourably with that of \$584,173 from the previous year, was reported by Col J. D. Clague, Chairman of the Board of Directors of A. S. Watson and Co., Ltd. in his statement presented at the Company's Annual General Meeting this morning.

The meeting, which was held in the Board Room of the Company's Offices in Watson Road, North Point, was presided over by Mr D. Benson, due to the indisposition of Col Clague.

At an Extraordinary General Meeting held immediately afterwards, a resolution for the increase of the Company's authorised capital by the capitalisation of \$1,000,000 from the General Reserve was passed.

Col Clague's statement follows:

"I have pleasure in presenting to you the Audited Accounts of the Company for the year ended 31st October 1956.

"Total sales for the year showed a considerable increase over last year and consequently a very satisfactory improvement in overall profit can be recorded. The net profit for the year after providing for taxation is given as \$1,428,363 which compares most favourably with the figure of \$584,173 from the previous year.

"Your Directors recommend a dividend of \$1 per share which will, if approved, absorb \$800,000 and the transfer of \$600,000 to the credit of the General Reserve.

"At the Extraordinary Meeting to be held immediately after the Annual General Meeting for the purpose, if thought fit, of increasing the authorised capital of the company your Directors propose putting forward a resolution capitalising \$1,000,000 from the General Reserve in the form of 100,000 shares of \$10 each, credited as fully paid up, to be issued to the registered holders at the 28th of March 1957, of the 600,000 shares in the company already issued, in the proportion of one new share to every six old shares held on that date, no fractional shares to be issued. These shares to participate fully in any dividends that may be declared from the profits of the company's financial year which commenced on the 1st November, 1956, and in all other respects part pass with the old shares in the company. This decision has been taken as a further step on the road leading to the strengthening and consolidating your company's cash position. The ability to provide for an equivalent dividend on these new shares will, the Directors hope, fall within the capabilities of your company, provided there is no radical change in existing trading conditions.

\$1 MILLION HIGHER

"Compared with 1955/56 the profit from the Working Account is higher by \$1,025,000. The gross profit from our aerated water operations increased considerably over the previous year, while that from the pharmacy and drug departments was up. The wine department, however, registered a slight drop in gross profit in spite of an increased turnover.

"Expenses were up by \$330,000 in comparison with the previous year. The greatest proportion of these are directly connected with the very substantial increase in production and sales of our aerated waters on the local market. In addition to the intense competition in the local market mentioned last year as affecting the margin of gross profit of the industry, there has been a phenomenal increase of some 60% in the price of sugar due to a world shortage of the very vital commodity occasioned by reported failures during this past summer of crops in countries hitherto regarded as exporters of sugar. This I am afraid, may well further adversely affect the profits from the whole industry for the current year at least.

SECONDERS SPEECH

Seconding Mr Benson's proposal for the adoption of the Report and Statement of Accounts, Mr K. C. Joneson, Hill said: "In rising to second the adoption of the Report and Statement of Accounts last year, you will remember that although I said that the report we had then just heard gave no cause for complacency, it should also not be viewed too pessimistically. The Chairman's Statement and the Accounts for the year under review show that our company can still maintain its position in the local aerated water field in the face of very heavy competition.

BIRTHDAY PARADE REHEARSAL

Representative units of the Royal Navy, Army, Air Force and the Royal Hong Kong Defence Force took part in a rehearsal this morning for the Queen's Birthday Parade.

The rehearsal was conducted by General Sir William Straton, Commander, British Forces, Hong Kong, took the salute.

Also present were Mr R. White, A.D.C. to His Excellency the Governor, Brigadier F.C.C. Graham, Deputy Commander, Land Forces, and the adjutant to the Commander, J.H. Urwin, Commander-in-Charge, Hong Kong, and Air Commodore A.D. Messenger, Air Officer Commanding, Hong Kong.

WOMAN QUAKER SUES GOVT

Johannesburg, Mar. 27.

An American millionaire Quaker, Mrs Mary Louise Hooper, today began legal proceedings to sue the South African Government for £210,000 damages for "unlawful detention."

Mrs Hooper was arrested on March 10 under the new South African Immigration Act which allows the Minister of the Interior to arrest and deport any person who is not a South African citizen, without giving any reason.

She was imprisoned for five days in the Johannesburg Fort pending a deportation order, Franco-Press.